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NOTICE: An * indicates material not previously disseminated in electronic form.

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Foreign Ministers Council Discusses Peacemaking Issues

LD1201134396 Moscow ITAR-TASS in English 1229 GMT 12 Jan 96

[By Aleksandr Valiev and Denis Perkin]

[FBIS Transcribed Text] MOSCOW, Jan 12 (ITAR-TASS) — Peacemaking and humanitarian law problems hold pride of place in the agenda of the meeting of the CIS Foreign Ministers Council, which opened here today. Its participants are focussing their attention on the draft concept of settling conflicts on CIS territory, on measures to overcome the conflict in Abkhazia, and on prospects for prolonging the stay of joint peacemaking forces in Tajikistan.

Taking part in the discussion of these problems are CIS defence ministers and commanders of border troops. They are also to consider the question of the Collective Security Council's Secretary General and a draft agreement on cooperation in border matters.

Russian Foreign Minister Yevgeniy Primakov, who is representing the Russian side at the meeting, said that the main purpose of the forum was to prepare the CIS summit, which is to be held in Moscow on January 19. "Relations with CIS countries is the Russian foreign policy's priority task," he stated, stressing that precisely this recommendation was given him by President Boris Yeltsin, when he appointed him to the post of Foreign Minister.

"It is quite reassuring to see that items devoted to cultural, educational, and scientific problems have appeared on our agenda," Primakov added. For instance, it includes an item on the convocation of the First Congress of CIS Cultural Workers and on cooperation with UNESCO.

In addition to the agenda, today's meeting may also discuss other problems of mutual concern. ITAR-TASS was told at the Department for CIS Affairs of the Russian Foreign Ministry that Kazakhstan had moved to adopt a convention on a simplified procedure for obtaining citizenship. In turn, Ukraine recommends to consider a draft agreement on cooperation in border matters.

Primakov moved to hold the next working meeting of the Foreign Ministers Council in March-April. "This meeting," he noted, "will be devoted to a comprehensive discussion of the most pressing international problems, affecting the interests of our countries and of our Commonwealth as a whole."

States Exchange Maps of Border Sectors With China

LD1201102696 Moscow ITAR-TASS in English 1014 GMT 12 Jan 96

[By Grigoriy Arslanov]

[FBIS Transcribed Text] BEIJING January 12 (ITAR-TASS) — The topographic maps of agreed-upon sectors of the State borders of the Russian Federation, Kazakhstan, Kyrgyzstan, and Tajikistan with China were exchanged here on Friday.

The mapping of the border strip with rugged terrain through the joint efforts of the sides over the period from 1992 to 1995 is an important stage of settling border issues between them, Anatoliy Shabalin, leader of the Working Group of the combined delegation of the four countries, has told ITAR-TASS.

The maps, the drawing-up of which involved many experts, will be used during forthcoming work to demarcate the agreed-upon border sectors and to install border markers.

"Border agreements between Russia and China as well as between Kazakhstan and China have already been signed. So, the demarcation may be started," Shabalin pointed out. The Sino-Russian border in this sector is 55 km long, the Sino-Kazakh one stretches for about 2,000 km, the Sino-Kirghiz border is 1,000 km long, and the Sino-Tajik border is about 500 km long.

"Friday's exchange of the topographic maps of border sectors finalises the painstaking work, which is of vital importance to our country, to prepare materials for the demarcation of the border on terrain," a high-ranking diplomat at the Russian embassy in Beijing has told ITAR-TASS.

ITAR-TASS Carries Press Review for 17 Jan

LD1701063596 Moscow ITAR-TASS in English 0624 GMT 17 Jan 96

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW, January 17 (ITAR-TASS) — All today's newspapers focus on the situation with hostages in the Dagestani village of Pervomayskoye. The Rossiyskaya Gazeta newspaper notes that the events in Kizlyar and Pervomayskoye puzzled those who preferred a highbrow appraisal of actions by the Russian army in Chechnya.

"U.S. and Israeli experts detected quite a number of shortcomings in actions of our commandoes even in the latest events. However, nobody has said honestly that nobody has ever encountered such a large-scale task.

"Ideas on the need for a search for political ways of a settlement which allegedly had no alternative for a long time, received a new impetus."

However, the newspaper writes, "only a great grandson of simple-minded Manilov (Eds: Manilov is a character from Gogol's novel "Dead souls") can call for stopping hostilities and for withdrawing Russian troops from Chechnya."

The Izvestiya newspaper writes that victorious reports heard on the screens of Russian television about successes of federal troops in the village of Pervomayskoye, have little to do with realities.

The newspaper's reporter managed to visit a military hospital housed at the Severnyy civil airport in the Chechen capital Groznyy, where casualties from Pervomayskoye are brought. The reporter reconstructed the picture of the assault on the village with their stories.

"Nine assault groups supplied mostly by interior troops, commandoes, as well as the Alfa and Vityaz elite groups, participated in the operation. The army mostly rendered support with fire and armour."

According to eye-witnesses, there was no major breakthroughs of the terrorists' combat positions. "Moreover, the greater part of attacking groups who entered the village, left occupied positions at night. Regrouping of forces and evacuation of the wounded were made in the morning of January 16. It looks like that everything has to be started from the beginning," Izvestiya notes.

The army newspaper Krasnaya Zvezda reports that the terrorists now hold only the mosque and the school where they keep the remaining hostages — some 50-70 people. Another 30 hostages were freed. At least 11 of them are in the neighbouring village of Sovetskoye.

"Secret services are checking all evacuees from the zone of combat operations to prevent the escape of terrorists under the guise of hostages. Their efforts were not in vain. Two terrorists who tried to pass themselves as Kizlyar residents, were detained."

The Rossiyskiye Vesti newspaper writes about elections of speaker of the State Duma (Russian parliament lower house). "Since the leaders of parliamentary groups could not agree on nominating a single candidate for this post on Tuesday, each group nominated its own candidate, apart from the group Our Home is Russia (NDR) whose leader Sergey Belyayev told deputies that in the group's opinion, a deputy elected from a one-seat constituency should become a candidate for this post under the present balance of force at the Duma.

The Communist group nominated for this post Gennadiy Seleznev, the former deputy speaker of the 5th Duma, the group of the Liberal-Democratic Party of Russia — Vladimir Zhirinovskiy who later withdrew his candidacy and the Yabloko group — Vladimir Lukin, former chairman of the Duma Committee for International Affairs.

The same newspaper reports that the Central Election Commission registered three sponsoring groups for election of Boris Yeltsin to the post of President. According to this newspaper, 17 groups were registered in all. Two of them are inter-regional and one — from the city of Samara (centre of European Russia).

Names of people who head them are unknown to Russian readers. They do not include either governors or money bags. Nevertheless, the appearance of such groups is a serious indicator of public sentiments, the newspaper notes.

In the opinion of Rossiyskiye Vesti, "Boris Yeltsin has a room for manoeuvring. It is wide enough. He also has time to make his choice. It is probable that the head of state will act surprisingly enough, using a tactic of pooling or, on the contrary, dividing various public forces.

"One thing is clear: he will not be an aloof onlooker in the beginning drama of the presidential election campaign," the daily concludes.

Chechen-Seized Ferry Leaves Turkish Port: Destination Unknown

LD1601205596 Moscow ITAR-TASS in English 2034 GMT 16 Jan 96

[By Andrey Palaria]

[FBIS Transcribed Text] ANKARA, January 16 (ITAR-TASS) — A sea ferry seized by Chechen gunmen in Trabzon has left this Turkish port with its destination unknown so far.

Earlier on Tuesday, masked terrorists seized the ship with 120 passengers and 45 crew bound for the Russian Black Sea port of Sochi, reportedly killed a passenger, and threatened to kill one passenger every ten minutes until the captain arrives aboard.

A Russian passenger fugitive from the ferry, Nadezhda Naskova, said the attack left many people wounded.

She said seven or eight assailants sprayed erratic fire with assaults rifles when they got aboard.

According to the witness, all Russian passengers had been herded together and are periodically battered. Naskova said the hijackers speak Turkish and Russian.

'Many Wounded' Claimed To Be Onboard Ferry

LD1601201896 Moscow ITAR-TASS World Service in Russian 1950 GMT 16 Jan 96

[By ITAR-TASS correspondent Andrey Palariya]

[FBIS Translated Excerpt] Ankara, 16 Jan (ITAR-TASS) — There are many wounded onboard the MV Avrasya which this evening was attacked by armed so-called "Chechen resistance fighters" in the port of Trabzon on Turkey's Black Sea coast. This was reported by Nadezhda Naskova, a Russian woman who miraculously managed to escape the ship.

According to her, seven or eight terrorists came onboard the Avrasya and opened indiscriminate fire from submachine guns. The eyewitness said also that all the Russian citizens were herded together and that they are being beaten up from time to time. The attackers, Naskova claims, speak Turkish and Russian languages. [passage omitted]

Hijackers Claim To Belong to Basayev's Group

LD1701084996 Moscow ITAR-TASS in English 0716 GMT 17 Jan 96

[FBIS Transcribed Text] ANKARA, January 17 (ITAR-TASS) — Spokesman of the Russian Foreign Ministry Grigoriy Karasin said in an interview with ITAR-TASS on Wednesday that the Russian side is in constant contact and cooperates with Turkish authorities in order to free hostages at the Avrasya motor ship.

This is "another bloody and heinous action of terror against innocent people," he added. The hijacking "is another confirmation of a danger of pacifying terrorists and blackmailers."

"We are in constant contact with the Turkish side in tackling this problem through diplomatic channels and secret services," Karasin stressed.

Terrorists who captured the Avrasya motor ship in the Turkish port of Trabzon on Tuesday evening with passengers from Russia, other Soviet former republics and Turkey, stated that they "belong to the group of Shamil Basayev (Eds: Basayev is ringleader of the group which had attacked the Russian city of Budennovsk and captured 1,000 hostages).

"He is our commander, and this action enjoys his support," chieftain of the terrorist group who called himself Muhammed and claimed that he was born in the North Caucasus, said in an interview with the private Turkish television TGRT.

In the meantime, the Anatolian news agency reported that Trabzon governor Alaaddin Yuksel said that "a Turkish citizen named Muhammed Toksan" masterminded the hijacking of the ship.

According to the governor, Turkish authorities maintain constant communications with the extremists who, as he claimed, "somewhat eased their position".

The terrorists forced the crew to pilot the ship out of the Trabzon port, situated in the eastern part of the Turkish Black Sea coast, on Tuesday at 22.30, Moscow time, and to head for Istanbul where they plan to come in two days' time.

The ship is escorted by Turkish coast guard boats. The ringleader of the gang who calls himself Muhammed, demands "a withdrawal of Russian troops from Chechnya" and threatens to explode the ship in the Bosphorus strait.

"We told them that the best thing they can do is to return to Trabzon. We do not want bloodshed and will be very restrained. However, we shall do later what is necessary to do," the governor stressed.

However, he did not specify what measures can be taken against the terrorists if they are not persuaded to settle the problem peacefully.

According to information from the Russian consulate in Trabzon, the police chief of the port was wounded during the capture of the Avrasya. There are no other reports about casualties so far. Russian Consul in Trabzon Sakhrab Ibragimov said in a telephone interview with Public Russian Television that the terrorists who captured the Avrasya, demanded that Salman Raduyev's terrorist group in the Dagestani village of Pervomayskoye should be given a chance to leave the village without any hindrance.

Local Turkish authorities believe that the terrorists which captured the ship are Chechens living in Turkey.

The motor ship is now heading for Istanbul. However, Trabzon port workers who serviced the Avrasya, said that the ship has not enough fuel to reach Istanbul.

According to the latest information, the terrorists captured 191 hostages: 151 of them are passengers including 95 Russians, nine Ukrainians, 11 Georgians and two are Kyrgyz citizens.

Hijackers Identified as 'Shamil Grandsons'

LD1701123496 Moscow INTERFAX in English
1014 GMT 17 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 17 (INTERFAX) — The Trabzon hostages were taken by a group calling itself "Shamil Grandsons," Russian ambassador in Turkey Vadim Kuznetsov told INTERFAX over the telephone Wednesday. Shamil was a Chechen imam who fought against tsarist Russia in the 19th century.

The group is headed by a certain Mohamed Topcan, a citizen and native of Turkey of North Caucasian descent, said Kuznetsov.

"According to latest reports, the group has six to eight and not 20 members, armed with Kalashnikov rifles," said the ambassador.

The Topcan terrorist group is pro-Dudayev, the Chechen separatist leader. Its action was linked to the federal troops' hostage liberation operation in the Dagestani village of Pervomayskoye.

"Topcan is threatening to blast the vessel in the Bosporus strait although he promises to let people free. However, he does not say how many people he will let go. Topcan said the aim of action is to attract public attention to developments in Pervomayskoye," reports Kuznetsov.

Topcan first demanded the withdrawal of federal troops from Chechnya, and the unblocking and freeing of the Raduyev group in Pervomayskoye to Chechnya, said the ambassador. "Then the terrorists changed their demands to the possibility of going to sea," he said.

Now the vessel accompanied by a Turkish police cutter is moving towards Istanbul, and is now in the Samsun area. "The Turkish authorities offered the terrorists to return to Trabzon and resume talks, but their reaction is so far unknown," said Kuznetsov.

He said the vessel carries 152 hostages. "A hundred of them are Russian citizens, including three children. There are also citizens of other Commonwealth states — Ukraine, Georgia and Kyrgyzstan. A total of 37 hostages are Turkish citizens, the majority of them are crew members. One hostage comes from Jordan," said the ambassador.

He confirmed that two female Russian hostages managed to escape from the vessel. "At first, the vessel was carrying 154 hostages," said the ambassador.

The vessel belongs to a Turkish company and makes shuttle trips between Sochi to Trabzon under the Panamanian flag. It is a motor-passenger ferry boat with a maximum capacity of 500 passengers and 60 cars.

50 Hijackers, Explosives Reported on Ferry

LD1701102196 Moscow ITAR-TASS in English
1003 GMT 17 Jan 96

[By Andrey Palariya]

[FBIS Transcribed Text] ANKARA January 17 (ITAR-TASS) — Muhammed Tokcan, the chief terrorist who had seized the "Avrasya" ship with passengers from Russia on Tuesday, claimed his unit consisted of 50 men and there were trucks loaded with explosives onboard, according to Russian Consul General in Istanbul Leonid Manzhosin.

Earlier the number of terrorists onboard was reported at 20 or even at six or nine.

Manzhosin told TASS, however, that the terrorists had not yet contacted the consulate by 12:00 hours local time (09:00 GMT), although their chieftain had promised to contact Russian representatives.

Manzhosin said that, according to his data, there are 260 passengers and crew aboard the vessel.

He confirmed that the terrorists had threatened to explode the ship in the Bosphorus if Chechen terrorists in the Dagestani village of Pervomayskoye are not allowed to escape.

"Either victory or death", the consul quoted Tokcan as saying.

The "Avrasya" is currently staying at the port of Samsun where she is expected to be refuelled.

Details Released on Passengers

LD1701132496 Moscow Russian Public Television First Channel Network in Russian 1200 GMT 17 Jan 96

[From the "Novosti" newscast]

[FBIS Translated Text] We have just received another report from Arkadiy Melkonyan, our correspondent in Sochi.

[Melkonyan, on phone] Today at midday the relatives of those who found themselves in the Turkish town of Trabzon and were due to come back by sea, received important information. A passenger list from the MV Avrasya captured by the terrorists was displayed at the Sochi Sea Port. Information about the terrorists heading for Istanbul is being confirmed. The vessel has not yet been refueled. They [terrorists] are demanding that the Russian authorities should stop military actions in the village of Pervomayskoye and allow the terrorists back to Chechnya.

Updated information on the number of passengers has also been received. There are 130 passengers on board the vessel, 112 of them are Russian citizens, 67 crew members, including two Russians, and eight representatives of Turkish firms.

At the current location of the vessel there is a strong wind and a big storm.

The last information is for those who would like to inquire about their relatives, who may be aboard the MV Avrasya. This can be done by phoning Sochi on the number 99-91-09. I repeat: 99-91-09.

Consulate Cited on Hostages' Nationality

LD1701045696 Moscow Russian Public Television First Channel Network in Russian 0330 GMT 17 Jan 96

[From the "Utro" newscast]

[FBIS Translated Text] We have just been able to contact our consulate in Trabzon again. Russian diplomats have managed to take a look at the list of passenger names. According to the Avrasya's document, there are 95 Russians on the ship, of whom three are children, nine citizens of Ukraine, and 11 citizens of Georgia. There are also two citizens of Kyrgyzstan on board the vessel, 37 citizens of Turkey, and one Jordanian.

As you see, at the present time the figures for the number of hostages on the Avrasya vary greatly. We shall wait for the information to be checked.

Ministry Spokesman Calls for Interstate Action

LD1701090996 Moscow ITAR-TASS World Service in Russian 0816 GMT 17 Jan 96

[By ITAR-TASS diplomatic correspondent Viktor Khrekov]

[FBIS Translated Text] Moscow, 17 Jan (ITAR-TASS) — Director of the Information and Press Department of the Foreign Ministry has described the seizure of hostages on the Avrasya ferry as another "insidious and ignoble act of terror against innocent people." "This once more confirms the danger of appeasing terrorists and blackmailers," he stressed today in an interview for ITAR-TASS.

"We are in constant contact through diplomatic channels and the secret services and are working together with the Turkish side in solving this problem," the official spokesman of the Russian Foreign Ministry said.

In particular, Karasin pointed out that "this new and audacious terrorist act against passengers on the Avrasya ferry is essentially an international terrorist act, in that there are not only Russians on board but also citizens of Ukraine, Georgia, Kyrgyzstan, Jordan, and Turkey." "This demands coordinated action on an interstate level," said Grigoriy Karasin.

Foreign Ministry Condemns Ferry Seizure

LD1701074896 Moscow ITAR-TASS World Service in Russian 0725 GMT 17 Jan 96

[By ITAR-TASS diplomatic correspondent Viktor Khrekov]

[FBIS Translated Text] Moscow, 17 Jan (ITAR-TASS) — The director of the Information and Press Department of the Foreign Ministry has described the seizure of hostages on the Avrasya as another "insidious and ignoble act of terror against innocent people." "This once more confirms the danger of appeasing terrorists and blackmailers," he stressed today in an interview with ITAR-TASS.

"We are in constant contact through diplomatic channels and the secret services and are working together with the Turkish side in solving this problem," the official spokesman of the Russian Ministry of Foreign Affairs said.

The Russian Ministry of Foreign Affairs has told an ITAR-TASS correspondent that an envoy-advisor of the Turkish Embassy in Moscow was summoned today to the Russian Ministry of Foreign Affairs where a representation was made to him in connection with the capture of the hostages on the Avrasya in the Turkish port of Trabzon.

SVR: Turkey 'Connived' With Chechens

LD1701124196 Moscow INTERFAX in English 1014 GMT 17 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 17 (INTERFAX) — Russia's Foreign Intelligence Service [SVR] is maintaining contacts with the Turkish special services and is making every effort to save the Russian citizens taken hostage on board the passenger ship Avrasya in the Turkish port of Trabzon, Tatyana Samolis, the press secretary of the Foreign Intelligence Service's director told INTERFAX Wednesday.

She said the Foreign Intelligence Service has more than once informed the Russia leaders that the Turkish authorities connived at Chechen militants.

"The Foreign Intelligence Service also informed the Turkish special services of the Chechens' anti-Russia actions in Turkey," said Samolis.

"One of the main responsibilities of foreign intelligence agencies is to collect information about dangers threatening Russia's security, and about the sincerity of the statements made by foreign countries in relation to Russia," she said.

"This refers to Turkey, as well," she added.

Turkey Failed To Heed Russian Warnings

LD1701083496 Moscow ITAR-TASS World Service in Russian 0738 GMT 17 Jan 96

[FBIS Translated Text] Moscow, 17 Jan (ITAR-TASS) — Russia's Foreign Intelligence Service had warned the Turkish secret service of the possibility of a Chechen sally in Turkey, Tatyana Samoylis, Foreign Intelligence Service press secretary, told an ITAR-TASS correspondent today with regard to the seizure of the hostages on the Avrasya in the port of Trabzon.

This information included data on locations where fighters were training and recuperating and where weapons were being held. But the Turkish side, competent bodies said, had shown unconcern and failed to react to the warnings.

Ferry Services Between Sochi-Trabzon Halted

LD1701101696 Moscow Radiostantsiya Ekho Moskvy in Russian 0900 GMT 17 Jan 96

[FBIS Translated Text] As a result of the hostage-taking, passenger ferries leaving Sochi and making scheduled trips to the Turkish port of Trabzon, have not left for sea since yesterday [16 January] evening. The port is now completely closed to Russian vessels. According to the latest information, weather conditions have worsened in the straits of Bosphorus, which is where the Avrasya vessel is heading. A snow storm has hit the straits and visibility is very poor there. With regard to this, Turkish police chief Cemil Serhadli has warned the terrorists that serious problems could arise since a thorough overhaul has not been carried out for quite a long time on the Avrasya ferry, which was built in 1953.

Iran Denies Links With Chechen Forces

LD1701104096 Moscow ITAR-TASS World Service in Russian 0952 GMT 17 Jan 96

[By ITAR-TASS diplomatic correspondent Yuriy Kozlov]

[FBIS Translated Text] Moscow, 17 Jan (ITAR-TASS) — The Islamic Republic of Iran completely rejects "any connections between the Chechen forces and Iran," says a statement from the Iranian Embassy in Russia received by ITAR-TASS today.

The statement stresses that the position of Tehran is based "on respect for the territorial integrity of Russia and on regarding the Chechen problem as a domestic one." It also expresses regret that the Russian president was given "information that does not correspond to reality."

Zhirinovskiy Congratulates Iraqi President on Gulf War

LD1601182496 Moscow INTERFAX in English 1631 GMT 16 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 16 (INTERFAX) — LDPR [Liberal Democratic Party of Russia] chairman Vladimir Zhirinovskiy Tuesday congratulated "Iraq's heroic people" on the fifth anniversary "since the repulse of the western aggression of Desert Storm."

The telegram, addressed to Iraqi President Saddam Husayn, says that "the immense army, well-armed and equipped with modern weapons, of 30 imperialist states headed by the United States was defeated by Iraq's valiant sons and daughters headed by Saddam Husayn, a wise and noble son of the Iraqi people."

"The events which took place five years ago demonstrated that even 30 states, including such powerful ones as the United States, Great Britain, France, Israel are unable to subordinate a freedom-loving people," the telegram says.

"Iraq's heroic war will forever remain in the memory of patriots of all countries, all fighters for national interests," Zhirinovskiy says in his telegram.

Russia To Take Part in UN Operation in E. Slavonia

LD1601214296 Moscow ITAR-TASS in English 2120 GMT 16 Jan 96

[By Tatyana Selivanova]

[FBIS Transcribed Text] MOSCOW, January 17 (ITAR-TASS) — Russia is going to make an appreciable contribution to the implementation of the U.N. Security Council's resolution on Eastern Slavonia, Russian Foreign Ministry spokesman Grigoriy Karasin told a briefing on Tuesday.

He said the Russian peacekeeping battalion deployed in Eastern Slavonia would remain part of the peace implementation force.

Russia has been an active co-author of the resolution which gives a go-ahead to the U.N. new peace operation for the 12 months, with a possibility of its extension.

"At the request of the Security Council, the U.N. Secretary- General appoints the administration head for the transitional period, who is entitled to broad powers allowing him to assist the parties in implementing the basic agreement on Eastern Slavonia," Karasin said.

Butrus Butrus-Ghali is to make monthly reports on the progress of the peace operation to the Security Council.

Military Equipment Sent to Bosnia by Train

LD1701124596 Moscow INTERFAX in English 1014 GMT 17 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 17 (INTERFAX) — Two trains with military equipment and property have been sent to Bosnia from Ivanovo and Pskov today for the Russian airborne brigade, commander of Russia's Airborne Troops Col. Gen. Yevgeniy Podkolzin told INTERFAX.

He said the trains will travel to former Yugoslavia through Ukraine and Hungary and will be accompanied by guards and a logistics group of the Airborne Troops' headquarters. The train is to arrive in Bosnia during the night of January 22.

Eight military-transportation planes with personnel and equipment are to fly out to Bosnia from Ivanovo and Pskov (three and five respectively) on Wednesday. The Russian airborne brigade will take part in the multinational operation to ensure the implementation of the peace agreements on Bosnia.

Podkolzin said that by the morning of January 17, about 400 Russian paratroopers had been transferred to Bosnia.

The transfer operation is to be finished by January 29. So far, everything is going according to schedule, said Podkolzin.

By decision of the Federation Council, the multinational operation in Bosnia will involve a Russian airborne brigade of about 1,600 men. The brigade will be equipped with 62 BMD airborne vehicles, 17 BTRD armored personnel carriers, 11 BTR-80 armored personnel carriers, four BTR-3D combat vehicles, eight NONA self-propelled artillery systems, 16 portable surface-to-air complexes and 310 cars, trucks and special vehicles.

The Russian contingent will be located in the eastern part of the Sava corridor in Bosnia, mostly in territory controlled by the Serbs. In addition to this, Russian servicemen will patrol the city of Brcko jointly with the U.S. contingent.

Talks Between Yeltsin, Kuchma Seen as Inconclusive

LD1601185596 Moscow NTV in Russian 1600 GMT 16 Jan 96

[Video report by correspondent Andrey Cherkassov, with recorded comments by Ukrainian President Leonid Kuchma; from the "Segodnya" newscast]

[FBIS Translated Text] President Yeltsin received President Kuchma of Ukraine in Moscow today. The talks were held against the background of fresh demands made of Kuchma by the Ukrainian opposition, first and foremost on the issue of the Black Sea fleet. Opposition leaders declare that the status of the Russian Federation part of the Black Sea fleet does not differ from that of the Russian Federation troops that were on the territory of the Baltic states. The Russian Federation troops should correspondingly quit Ukraine, just as they quit the Baltic states. Kuchma does not seem to be paying much heed to statements like these, however.

[Cherkassov] Leonid Kuchma flew to Moscow for a couple of hours. The Ukrainian president and Boris Yeltsin had decided to hold a working meeting in the Kremlin prior to the session of the CIS heads of state, which is to be held in Moscow on 19 January.

Issues relating to the two countries' economic relations are of course being discussed at today's talks, starting with the problems of the customs union and Kiev's debt to Moscow for supplies of Russian Federation fuels, right down to resolving the situation over the Black Sea fleet.

So far, no treaty on friendship, cooperation, and partnership has been signed between the two states, and

Yeltsin's planned official visit to Ukraine has been deferred several times. Both presidents nevertheless confirmed their readiness to sign such a document, and even set up a special mixed commission. When this will happen, however, nobody ventured to say.

In an exclusive interview to NTV television company, the Ukrainian head of state also declined to make any predictions.

[Kuchma] I make no forecasts from today's situation, because we have already set five dates. But I am nevertheless convinced, somehow, that we will not drag out this process.

[Cherkassov] Regarding the question of dividing up the Black Sea fleet, which was raised at the meeting in the Kremlin, the sides said they were in favor of regulating the problem as soon as possible on the basis of the Sochi accords of 9 June 1995. According to Kuchma, there are no serious disagreements. The only point for discussion is the terms on which the Russian Federation naval base will exist in Sevastopol.

At the session of leaders of the CIS countries on Friday, Kiev plans to raise the issue of the deported peoples, and in particular the resettlement in Crimea of 250,000 Tatars, whose social problems Kiev cannot resolve on its own. In addition, Kuchma did not conceal that...[cuts to Kuchma recording]

[Kuchma, completing sentence] Ukraine will propose — it is no secret today — that Boris Nikolayevich Yeltsin should retain the leadership of the CIS for the next term.

[Cherkassov] After talking to the president, Kuchma had a meeting with the Russian prime minister, to discuss bilateral trade and economic relations.

This evening the Ukrainian president will fly home to Kiev; he will return to Moscow in just two days' time for the summit of the CIS heads of state.

Kuchma Calls for Friendship Treaty

LD1601214996 Moscow INTERFAX in English 1945 GMT 16 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 16 (INTERFAX) — Ukrainian President Leonid Kuchma said on Tuesday that one of his chief aims was to sign a treaty on friendship and cooperation with Russia.

Such an accord is needed "to untie the complex of problems which have arisen after the disintegration of the USSR," Kuchma said in a Russian television program.

"Russia and Romania are the only countries with which we do not have such a treaty," he said.

He said the main obstacle to signing such a document was "an absence of goodwill," mainly on Moscow's part.

As for the Black Sea fleet problem, that has practically been solved, the president said. He said he accepted proposals currently being made in Russia for the fleet to be given the status of a Russian unit stationed in Ukraine, but added Ukraine's only condition was "joint control" of the fleet.

He said he supported proposals that the Chernobyl nuclear power plant be closed down.

Fleet Commander Fired After Talks

LD1701113496 Kiev UNIAN in Ukrainian 1035 GMT 17 Jan 96

[FBIS Translated Text] Kiev — Black Sea Fleet Commander Eduard Baltin has been dismissed and moved to another job, the Black Sea Fleet press center told UNIAN. The dismissal was agreed between Russian President Boris Yeltsin and Ukrainian President Leonid Kuchma at their meeting in Moscow on 16 January.

Likely candidates for the post are Vice Admiral Gennadiy Suchkov, Black Sea Fleet first deputy commander; Vice Admiral Petr Svyatashev, Black Sea Fleet chief of staff; and the Russian Baltic Fleet commander.

Vice Admiral Svyatashev is currently acting as Black Sea Fleet commander.

Karasin Cited on UN Extending Mandate in Abkhazia

LD1601150696 Moscow INTERFAX in English 1331 GMT 16 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 16 (INTERFAX) — Russia views the resolution issued by the U.N. Security Council on Friday to extend the mandate of the U.N. observer mission in Georgia until July 12, 1996, as a "weighty document containing important political provisions along with another extension of the mandate," Foreign Ministry spokesman Grigoriy Karasin said at a briefing in Moscow on Tuesday.

Moscow believes that the document aims largely to "confirm the international community's firm intention to contribute to the endeavors to settle the conflict in Abkhazia by peaceful, political means on the basis of full respect for Georgia's sovereignty and territorial integrity, and the need to ensure the rights of that country's multi-ethnic population," he said.

Karasin drew attention to the fact that the resolution urges participants in the conflict to "reach without further procrastinations substantial progress on the road to a comprehensive political settlement, and give full support to the efforts exerted in that direction by the U.N. secretary general with Russia's aid."

According to Karasin, the U.N. Security Council has demanded that the Abkhaz side substantially step up the process of refugees' return to Abkhazia, and guarantee their safety.

"Russia hopes that the firm demand of the U.N. Security Council will find a positive response in Sukhumi," Karasin said.

Ministry Regrets Taleban's Delay in Pilot Release

LD1601191096 Moscow INTERFAX in English 1808 GMT 16 Jan 96

[By diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] Moscow, Jan 16 (INTERFAX) — The Afghan opposition movement Taleban keeps on postponing the release of seven Russian pilots seized in August 1995, Russian Foreign Ministry spokesman Grigoriy Karasin said.

He stressed that Russia keeps in touch with the Talebs and will maintain contact with them until all seven Russian citizens are released. "We continue working on this every hour," he said.

Karasin regretted that "the Talebs have not been sticking to the reached agreements."

Karasin Advocates Admission Into Council of Europe

LD1601193396 Moscow INTERFAX in English 1808 GMT 16 Jan 96

[By diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] Moscow, Jan 16 (INTERFAX) — Russia's full membership in the Council of Europe will open qualitatively new horizons in forming a democratic security space on the continent, Russian Foreign Ministry spokesman Grigoriy Karasin told a briefing in Moscow Tuesday.

Russia's admission will be on the top of the agenda of the next session of the Parliamentary Assembly of the Council of Europe (PACE) in Strasbourg on January 22, he recalled.

"A debate on Russia's application and a voting on the final resolution have been scheduled for January 25," he added.

"During the preparation for the session, the leading PACE commission for political issues supported Russia's admission to this prestigious institution in Copenhagen on December 20, 1995 with an overwhelming majority of votes," Karasin said.

The PACE commission for legal issues and human rights held a meeting in Moscow on January 11 to 13, he added.

"The commission's conclusions are as follows: Russia still has much to do in perfecting its legislation, state institutions and legal practices to fully conform to the charter requirements of the organization, but its admission to the Council of Europe and the obligations it will simultaneously assume will promote the achievement of the above goals," Karasin said.

Karasin said the commission had also "pointed out progress achieved in ensuring the priority of law and human rights in Russia."

Doubt Cast Over Council of Europe Bid

MM1701094496 Moscow IZVESTIYA in Russian 16 Jan 96 p 3

[Report by Vladimir Mikheyev: "Russia Short of Lawyers For Joining Council of Europe"]

[FBIS Translated Text] The offsite session of the Council of Europe Parliamentary Assembly's Commission for Legal Issues and Rights (held at the State Duma building in Moscow) resulted in an unpleasant verdict: Russia cannot be considered a rule-of-law state.

The commission's recommendation could influence the outcome of the vote on admitting Russia to the Council of Europe at the end of January.

After the delegation spent three days checking previous information against the personal impressions gained from meetings with Russian politicians and lawmakers, Rudolf Bindig [name as transliterated], the main reporter, stated that Russia does not meet the strict criteria for the selection of new members laid down in Articles 3 and 4 of the Council of Europe statutes.

Freedom of speech and association are pretty well upheld, but freedom of movement is restricted, and the right of suspects or those arrested on a charge of criminal or administrative violations have simply not been defined. Observance of human rights and progress down the path of building a rule-of-law state are taking place "discouragingly slowly, and are sometimes being reversed," as shown by Chechnya and the granting of additional powers to federal security organs.

The commission also complained about the status of draftees, the holding of prisoners in detention centers, and the use of the death penalty.

Walter Schwimmer, vice chairman of the commission, noted in a private conversation the lamentable ratio of 15,000 defense lawyers — fewer than in Madrid alone — to 1 million prisoners and detainees in Russia.

At a press conference, commission chairman Lidia Err rejected the suspicions that the Council of Europe, which has already admitted Estonia, Ukraine, and Moldova, is using a "double standard." According to her, Russia has been treated with the "utmost objectivity and lack of bias."

The commission's conclusions do not yet constitute a veto on Russia's admission to the Council of Europe. The last word will be with the parliamentary assembly deputies. There is a view in Strasbourg that geopolitical considerations are tipping the balance in Russia's favor.

Nagorno-Karabakh Talks To Continue in Helsinki

LD1601180496 Moscow ITAR-TASS in English
1711 GMT 16 Jan 96

[By Yuriy Kozlov]

[FBIS Transcribed Text] MOSCOW, January 16 (ITAR-TASS) — Another round of the Azerbaijani-Armenian talks on the settlement of the Nagorno-Karabakh conflict is due to be held in Helsinki, Vladimir Kazimirov, the Russian president's envoy to the talks, told ITAR-TASS on Tuesday.

The next round is to be held in mid-January. While the military stand-off had died down, political controversy between Azerbaijan and its enclave of Nagorno-Karabakh is persisting.

Kazimirov said the parties to the conflict met for a regular round on January 9-12 in Moscow. The talks were mediated by the Minsk conference co-chairmen, Russia and Finland.

Russian Foreign Ministry spokesman Grigoriy Karasin told a briefing today that the January round was another attempt of Azerbaijan and its breakaway enclave to finalise a draft accord which would stop the conflict.

Members of the Minsk group of the Organisation for Security and Cooperation in Europe, the body mediating the settlement of the conflict, met in Moscow on January 13-15 to review the progress of the talks.

Karasin cited the group's members as voicing "disappointment with the lack of serious progress towards a political settlement."

Karasin: Moscow Hails Palestinian Elections

LD1601214696 Moscow ITAR-TASS in English
1929 GMT 16 Jan 96

[By Denis Perkin]

[FBIS Transcribed Text] MOSCOW, January 16 (ITAR-TASS) — The Russian Foreign Ministry hails the upcoming elections to the Palestinian Council, ministry spokesman Grigoriy Karasin told a briefing on Tuesday.

He said the elections, first in the history of the Palestinian people, would be a milestone in the strengthening of the Palestinian self-rule.

A group of Russian observers have joined international monitors in the run-up to the Palestinian Council elections, due on January 20, Karasin said.

The formation of the Palestinian autonomy's leadership in the direct and free elections will be a major achievement in the peace process, he added.

"Russia, invariably rendering active assistance to the Palestinian-Israeli settlement, candidly wishes the Palestinians to successfully finish the process of electing the (Palestinian) Council and the head of the executive in a constructive setting," Karasin said.

Communist Leader Zyuganov Interviewed on Plans

WS1601151896 Poznan WPROST in Polish
24 Dec 95 pp 91-92

[Interview with Russian Communist Party Chairman Gennadiy Zyuganov by Waldemar Gontarski; place and date not given: "A Turn Left Sign" — questions published in boldface]

[FBIS Translated Text] [Gontarski] How do you assess the political situation in Poland after the election victory of Aleksandr Kwasniewski?

[Zyuganov] Russian Communists sent Aleksandr Kwasniewski a message of congratulations. In past years, I met with him several times and he made a very good impression on me. Kwasniewski is an educated modern man. His victory has confirmed a certain tendency which was earlier visible in other East European states — one showing that citizens in our part of the continent favor a socially- oriented economy. This is happening in Bulgaria, Slovakia, and Poland. We expect that this tendency will prevail in our country too. Already Russian voters have a lot of sympathy for left-wing leaders. This can be evidenced by the recent local elections in Bryansk, Vladimir, Orel, and Volgograd Oblasts.

[Gontarski] How would you explain the recent successes of the Russian Communists?

[Zyuganov] The election on 17 December [1995] shows that the Russian political map remains diversified. In regions most heavily stricken by miseries, we have many supporters; but our electorate is not so large in regions where the trade in raw materials allows their residents to scrape by somehow. The final Duma election results — that is, the scope of our success — will depend on whether the votes will be counted fairly. Given such large support for the Russian Communist Party, it is not important who and how voted, but who and how counted the votes. In this election, the strongest competition for our party was mounted by wheeler-dealers and swindlers who attempted to fake the final results; the second most dangerous contenders were provocateurs, with honest politicians ranking a distant third as serious rivals. But we are not afraid of such competition. In Russia, there are in fact two parties contending for power: The group that led the state to disgrace and collapse, and the Communists, who have long said that you are not supposed to act that way. As a result, we currently have 20 million unemployed and 15 million hungry people in Russia, as well as 6 million refugees.

[Gontarski] What should be expected from the deputies who, as Russian Communist Party members, made their way to the Russian Duma?

[Zyuganov] First of all, we will press for annulment of the 1991 Byelavezha agreements that caused the Soviet Union to collapse. We will try to forge a bloc of state-oriented and patriotic forces that would seek to manage national affairs. We are going to look for allies among agriculturalists, industrialists united in manufacturers' unions, regional deputies, women's organizations, and war veterans — generally speaking, among patriots. I believe that that way we will create a majority coalition in the lower parliament chamber.

[Gontarski] With whom precisely?

[Zyuganov] Not with the Russia Is Our Home led by [Russian Prime Minister] Viktor Chernomyrdin, which we call "Their Home." People start building their house from a foundation, and not from a roof, as Chernomyrdin shows in his campaign posters. You do not call "my home" a place where everybody squanders and plunders everything and children do not study — only one of every three high school students in Russia has a textbook, something that never was a scarce commodity even during war years — and the elders receive no medical treatment. You call it a den, not a home. As for Zhirinovskiy, his star lost much of its brightness. Before the last elections, the importance of that leader had been artificially blown up. At that time, the entire opposition was driven into the house of parliament and then shot [reference to the Oct 1993 standoff between the Russian president and parliament]. Publications were closed, communists and patriots banned, and... a campaign to promote Zhirinovskiy launched. His task was easy: Power game him a lot of money and access to television, so he could poach some of our electorate. These tricks were used to publicize this figure. Now, he is disappointing many of his supporters and patrons. In reality, Zhirinovskiy always supported Yeltsin and Chernomyrdin — the people that are responsible for the pervading anarchy in Russia. This power has made good on one promise only — liquor is sold everywhere in our country. It is not by coincidence that vodka has become cheaper now — seven times cheaper compared to bread prices.

[Gontarski] Before the elections, your legislative faction lobbied for a bill nationalizing whatever the Yeltsin team had managed to privatize. Will you go back to that draft law?

[Zyuganov] We want to enact not that one bill only, but the whole package of bills which, if approved, will allow us to stabilize the situation in the state.

[Gontarski] But will you resubmit the nationalization bill?

[Zyuganov] I repeat, we will come up with a whole set of laws.

[Gontarski] Should the West be afraid of Zyuganov?

[Zyuganov] I believe that representatives of Western capital will maintain normal relations with those who will ensure stability and order in our state, as well as create investment opportunities. Our party has the clout, program, and structure allowing it to create conditions for such a development. We have well educated specialists who are capable of fulfilling those goals relatively quickly. One should not scare the world that communists want to seize power to take revenge. In our program, we said that we disagree with this concept of revenge. In recent years, it was drilled into people's minds that if we regain power, it would mean another gulag. Meanwhile, the state of public security has dramatically worsened. In 1994 alone, 140,000 were killed in Russia, ten times the number of those who died during the war in Afghanistan.

[Gontarski] Since you continue to stick to the nationalization draft law, it is believed that you still adhere to the teachings of Marxism, even though at the same time you — contradicting those teachings — want to gain favor with the Church.

[Zyuganov] The Communist Party cannot deny its members the freedom of conscience guaranteed by the

Constitution. It is people's private business in what God they trust. For me, God is goodness, truth, justice, and beauty. I do not thrust my views upon anyone. We say straightforwardly that faith is no obstacle to joining the Communist Party. I read the Bible, taking notes with a pencil, and I read the Koran twice, the knowledge of which is crucial for understanding [people of] the Caucasus. We respect the Orthodox Church because it changed the course of Russian history. Even [Nazi propaganda minister] Goebbels used to say that if Germans had managed to instill their religion in every Russian village, the Russian problem would have been long resolved.

[Gontarski] While rejecting atheism, you are still faithful to the "Communist Manifesto."

[Zyuganov] Rejecting Marx is as dumb as making dogmas of his ideas. In the past, one could rely on a class-based analysis of social processes. Today, however, this method can no longer be applied. Although you still should take into consideration the social class factor, sociopsychological, cultural, informational, and geopolitical factors are also important.

[Gontarski] The legislative elections, held in the present power system — whereby a government is formed not by the parliament by the head of state — are merely a prelude to presidential elections set for June 1996 in Russia. Are you going to run for this highest state position?

[Zyuganov] I propose that the patriotic opposition convene and field its candidates for president, prime minister, five deputy prime ministers, and ten most important ministers. They should run in the presidential elections as one team having a common program. I am prepared to play a role that will be entrusted to me by such an assembly. Of course, the leader of the largest political party enjoying increasing support from the public should not rule out a possibility of standing at the helm of this assembly.

Tokyo For Quicker Settlement of Kuril Problem

LD1701140096 Moscow ITAR-TASS in English 1310 GMT 17 Jan 96

[By Vladimir Solntsev]

[FBIS Transcribed Text] TOKYO, January 17 (ITAR-TASS) — The Japanese government believes it is the current generation and not the future one that must settle the decade-long dispute between Moscow and Tokyo on the Kuril problem on the basis of the agreement reached earlier by the national leaders, a Japanese Foreign ministry official told ITAR-TASS on Wednesday [17 January].

The official, who asked not to be named, announced the position of the official Tokyo in connection with the recent statements made by new Russian Foreign Minister Yevgeniy Primakov.

During a press conference held on Friday Primakov suggested that the Japanese should "leave settling the territorial problem for further generations and, meanwhile, develop relations in order to create the most favourable situation for settling it in the future."

The Japanese Foreign ministry official said that Primakov's suggestion "differed from the mutually agreed position of the two countries and was unacceptable for Tokyo".

Political Issues

Yeltsin's TV Address on Pervomayskoye Criticized

MM1701121396 Moscow KOMSOMOLSKAYA PRAVDA in Russian 17 Jan 96 p 2

[Article by Aleksandr Gamov: "President, Take Off Your Hat!"]

[FBIS Translated Text] At the very height of the Pervomayskoye carnage, one and the same person was shown repeatedly on all Russian television channels: Boris Yeltsin, with his tall fur hat pulled down over his ears, against the background of the Kremlin Christmas trees, was explaining in enthusiastic detail how Barsukov's clever snipers were operating at this dramatic hour and why the Dagestan village seized by the terrorists was actually being filled with smoke — "you see, it is so the hostages can escape...." Obviously the organizers of this television show were in general pursuing a noble aim: showing Russia and the whole world the head of a great state who in hard times is with the people and to instill in us Yeltsin's certainty that it will all turn out well. They failed.

And not only because the president's excessive calm was at odds with the scenes of sheer hell but also because the situation is not as simple as it seems to Boris Nikolayevich. It is not for the president to analyze the tactic of battle for all to hear. The country probably expected completely different words from Yeltsin: words of support and sympathy for the hostages, condolences to the families of the dead. Finally, a serious and considered political statement: When will this anarchy all end and what does the leadership intend to do in the next few hours and days? To all appearances the president was not ready for it.

Unfortunately, in recent days what are to put it mildly unprepared statements by the head of state have been broadcast increasingly frequently in recent days. One minute he is punishing the wrong man in the Security Council. And he holds council with the people as to whether he should run for anew term not in the shops of the Likhachev truck plant which he once loved but which is now near to death but at the Kremlin New Year celebrations, for which ordinary people cannot get tickets....

There is a universally accepted world practice whereby when the head of state goes out to the people particularly at the most crucial moments there should be careful preparation since everything here — the choice of venue, of words, and intonation — is important. If you recall in former times of crisis Yeltsin was up to the task. What has happened now? Perhaps it is not only up to him — the president does not have to issue political masterpieces impromptu — but up to his numerous assistants who seem to see their main task merely in "halting" Boris Nikolayevich somewhere in the environs of the Czar cannon [on Red Square] and waving on the television journalists.

Kovalev: Yeltsin Talking 'Nonsense'

LD1701140396 Moscow Radiostantsiya Ekho Moskvy in Russian 1300 GMT 17 Jan 96

[FBIS Translated Text] Sergey Kovalev, famous human rights activist [and newly reelected State Duma deputy] takes the opposite view [to Duma deputy Vladimir Zorin who said in an interview that it was hard to assess the Pervomayskoye operation until it was over].

[begin Kovalev recording] Right from the very start there was no chance of freeing the hostages. When the president talks nonsense about snipers and smoke screens, I cannnot imagine what sort of experts he consults. [end recording]

Barsukov Briefs Yeltsin on 'Hostage Dramas'

LD1701094996 Moscow ITAR-TASS in English 0931 GMT 17 Jan 96

[By Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW January 17 (ITAR-TASS) — Russian Security Minister Mikhail Barsukov, who is in charge of the anti-terrorist operation in the Daghestani village of Pervomayskoye, briefed President Boris Yeltsin on the progress of the operation, as well as on two other hostage dramas on Wednesday.

Presidential spokesman Sergey Medvedev told Tass that Barsukov had informed the president "about the process of the operation to free hostages held by Chechen militants in Pervomayskoye, about the seizure of hostages aboard a ship in Turkey and about the abduction of a group of energy workers in Groznyy suburbs".

The spokesman did not elaborate.

The whereabouts of the 29 energy workers are still unknown, while the "Avrasia" vessel with passengers from Russia, which was seized in the Turkish port of Trabzon on Tuesday, is heading for Istanbul.

In the meantime, the Russian command in Chechnya denied media allegations that combat activities had spread outside Pervomayskoye.

"The scope of combat activities in the area of Pervomayskoye village has not increased over the past 24 hours", a spokesman of the command told Tass in Groznyy.

He added that the troops encircling the village had not clashed with the terrorists.

Helicopters gunships continue to fly over the village "ensuring control over the situation and support to ground forces", according to the spokesman.

Premier Urges Duma To Back Government

LD1701092896 Moscow ITAR-TASS in English 0823 GMT 17 Jan 96

[By Ivan Novikov]

[FBIS Transcribed Text] MOSCOW January 17 (ITAR-TASS) — Russian Prime Minister Viktor Chernomyrdin called on the new State Duma to back the government policy in Chechnya during the expected discussion on Wednesday.

The government "believes it to be extremely important that all the branches of federal authority occupy a principled stand not only regarding [Chechen separatist leader Dzhokhar] Dudayev and forces supporting him, but also regarding those who conscienciously or undeliberately heat up the conflict either by proposing to separate Chechnya from Russia, or to split it [Chechnya], or who work to preserve the inter-Chechen confrontation or demand to immediately withdraw Russian troops from the territory of the republic", Chernomyrdin said in a statement sent to the Duma.

The premier said the main actions of federal authorities in Chechnya were aimed at restoring the bodies of authority in the republic, at rebuilding its economy, providing jobs for the population, holding peace talks with all the political forces in Chechnya.

"The results of elections of the head of the Chechen republic and of deputies to the State Duma were a confirmation of the recognition and support by the population of the policy of the Russian Federation", the premier said.

"In these conditions the pro-Dudayev forces did everything possible to destabilise the situation in the republic. However, those forces lost both morally and politically. The crimes committed upon direct instructions of Dudayev by his bandits in Budennovsk, Gudermes, Kizlyar and Pervomayskoye fully exposed the criminal essence of the Dudayev regime", Chernomyrdin said.

He added that the Russian government believes it necessary "to continue disarming illegal armed formations" and "implementing a staged transition of the settlement process into the inter-Chechen framework".

Chernomyrdin expressed hope that the State Duma will back the measures of the government "which will allow to streagthen the positive trends in restoring the economy and the social sphere of the Chechen republic, to form the legitimate bodies of legislative power, to speed up the stabilisation of the situation in that region of Russia".

Premier's Message Seen as Changed Stance

MK1701115496 Moscow KOMMERSANT-DAILY in Russian 17 Jan 96 p 3

[Analysis by Ilya Bulavinov, Maksim Zhukov: "Situation Surrounding Chechnya. From Peaceful Dialogue to Disarmament"]

[FBIS Translated Text] There was no clarity, before yesterday evening, with regard to further measures Moscow is prepared to take to settle the situation in Chechnya. It seemed in the morning that the authority was not going to hasten to announce new priorities before the end of the operation in Pervomayskoye, which continued throughout yesterday despite the earlier forecasts of FSB [Federal Security Service] Director Mikhail Barsukov and Boris Yeltsin (see pp 1, 14). In the evening, according to an INTERFAX report, a statement of Prime Minister Viktor Chernomyrdin was circulated among the deputies of the State Duma, which speaks, in particular, about the intention of the federal government to "continue disarming unlawful armed formations in Chechnya." Much as KOMMERSANT-DAILY expected, the developments in Kizlyar and Pervomayskiy ended the period of "peacekeeping" in Moscow's approach to solving the Chechen crisis, that was in effect for more than six months.

On Monday [15 January], Boris Yeltsin gave journalists the understanding that the discovered groups of rebel fighters in Chechnya would be destroyed, but, by all indications, he has not given the military carte blanche so far. One evidence is, for example, that Pavel Grachev, according to KOMMERSANT-DAILY information, spent Monday and Tuesday night in his office but categorically declined to make any statement. His public relations aide Yelena Agapova advised to a KOMMERSANT-DAILY correspondent that the Defense Ministry did not intend to comment on the actions of the FSB and the Ministry of Internal Affairs, which are carrying out the operation in Pervomayskoye so as, among other things, not to provoke an interdepartmental feud, and that Grachev would say what he has to later. That this is going to happen soon was indirectly indicated by the stance of Dagestan's plenipotentiary representative in Moscow, Gadzhi Shaydayev. He stated to a KOMMERSANT-DAILY correspondent yesterday that he would be able to comment on the situation in the republic and the possible consequences of the terrorist act "in some two days or maybe three, when there is a measure of clarity." A request for Vyacheslav Mikhaylov's comment was also declined by the Ministry for Nationalities Affairs. Mikhaylov's aide Sergey Butin advised that the minister intended to speak in the State Duma, among other things, on the situation in Northern Caucasus. Also yesterday, Yeltsin talked on the phone with FSB head Barsukov, in charge of the operation to destroy [Chechen rebel] fighters in Pervomayskoye, and heard a report on the situation in the village. No far-reaching statements followed from him, however.

Returning to Groznyy, Oleg Lobov, Security Council secretary and plenipotentiary representative of the president in Chechnya announced at a news conference in Groznyy that the Russian government would earmark 20 trillion rubles to rebuild Chechnya's economy in 1996 — an almost astronomical figure considering that the 1996 federal budget envisages 6.3 trillion for these needs. Lobov brought this figure to Groznyy from Moscow, naturally, where Yeltsin held a conference Monday on the problem of funding expenditures on Chechnya. This means that either Moscow intends to carry out a breakthrough in rebuilding the republic's economy (which is hardly feasible when a considerable part of Chechnya's territory is controlled by bandits) or that the Kremlin has already computed a sharp increase in purely military expenditures.

The i's were dotted and the t's crossed the same evening. This was not done by the president but rather by the man who several times came up with peacemaking initiatives in the most heated days last spring and officially proclaimed the beginning of a peaceful stage in Chechnya in the wake of the Budennovsk events: Viktor Chernomyrdin. The premier's message has several key aspects, which may now define the center's policy toward Chechnya. First, the message recognizes that the agreement on a set of military questions has been derailed. Although Chernomyrdin puts the blame for it, naturally, on Dudayev, it is becoming evident that Moscow does not intend to go back to discussing the agreement anymore. On the contrary, it declares a "continuation of disarming armed formations in Chechnya." Second, the statement says that it is the government of Chechnya that has to shoulder "the onus of work with field commanders in questions of neutralizing and disarming unlawful armed formations," whereas the federal authorities will be disarming such formations "in close coordination with the republic's government." In essence, Moscow gambles on its supporters among the Chechens and primarily Doku Zavgayev hoping to extend the social base of Dudayev's foes. It is the government of Chechnya which "will continue the inter-Chechen dialogue with the objective to hammer out and sign a document analogous to the all-Russia Public Accord Treaty," whereas the federal government is ready to "help in the development of a constructive political process" in Chechnya and the establishment of bodies of power and local self-government.

When this issue went to press, there was still no reaction from the deputies to the premier's appeal. It can hardly make an impact on the situation now. True enough, it is remarkable that it is the premier rather than Yeltsin who came out with the statement. This practice is usual — the president always tested "Chechen" initiatives by proxy of Chernomyrdin thus leaving for himself avenues for retreat. Yet, the probability of such a step is rather small because the appeal was forwarded to the Duma right after Yeltsin and Chernomyrdin met in the Kremlin.

Information 'Ministry' Issues Statement

NC1601182996 Baku TURAN in English
1257 GMT 16 Jan 96

[FBIS Transcribed Text] Baku/16.01.96/TURAN — "Group of Salman Raduyev resisted four attacks by Russian special-purpose troops in the morning on January 15," reads a statement of the Ministry of Information and Press of Chechnya received by TURAN agency.

This information reads that Russia decreases the losses which as if total (300 people killed and wounded." [sentence as received] Chechnya states that the first attack was made by Russian troops at 7 o'clock in the morning January 15. "After first shell and bombing the Chechens released hostages-volunteers, civilians of Dagestan and kept only Russian prisoners of war."

The information of the Ministry of Information and Press refutes the information about shooting down six Dagestani elderly men who had come to Pervomayskoye to negotiate with the Chechens.

When the operation in Pervomayskoye village began, Russian air forces began bombing of Chechen villages in mountainous regions of the republic, reads the information.

"Refusal of Moscow to fulfill its promises on free going of Raduyev's group to Chechnya and the operation in Dagestani village Pervomayskoye was made for the purpose to make people of Chechnya and Dagestan hostile towards each other," reads the information of the Ministry of Information and Press of Chechnya.

Official Denies Escalation of Fighting

LD1701094896 Moscow ITAR-TASS in English 0914 GMT 17 Jan 96

[By Anatoliy Yurkin]

[FBIS Transcribed Text] MOSCOW, January 17 (ITAR-TASS) — A spokesperson for the Russian Defence Ministry has denied media reports today alleging that the area of combat operations in the settlement of Pervomayskoye in Dagestan was extended.

The high-ranking Defence Ministry official who asked not to be identified said that media reports alleging that new areas of fighting appeared last night in the blockaded settlement of Pervomayskoye or further down in the direction of the village of Sovetskoye three kilometers away from Pervomayskoye do not conform to reality.

The spokesperson said that these reports were based on allegations suggested by chief of Dudayev's information service Movladi Udugov which were spread by Western journalists.

Reports about the extension of the area of fighting have been neither confirmed by ITAR-TASS correspondent Mikhail Shevtsov based in the area of the conflict.

Moscow Seen Needing Wisdom To Solve Crisis

MK1701093596 Moscow NEZAVISIMAYA GAZETA in Russian 17 Jan 96 p 3

[Report by Mekhman Gafarly: "Moscow's Chechens, Dagestanis Denounce Raduyev. The Diasporas Demand That the Federal Authorities Stop the War in Chechnya Immediately"]

[FBIS Translated Text] Representatives of the Chechen, Dagestani, and other diasporas of Northern Caucasus peoples in Moscow, including Major General Aslanbek Aslakhanov, professor of the Internal Affairs Ministry Academy; Ikhvan Gerikhanov, former chairman of the Constitutional Court of the Chechen Republic and member of the contact group of the "roundtable" of sociopolitical parties and movements of the Chechen Republic; Ruslan Akhtarkhanov, chairman of the Democratic Progressive Party of the Chechen Republic and contact group member of the same "roundtable;" Magomet Isayev, director of the Rasul Gamzatov Caucasus Institute and deputy chairman of the Peace and Accord Federation (PAF), who gathered at the PAF building, harshly denounced the actions of the rebels under Salman Raduyev, calling them a monstrous terrorist act comparable only to fascism. They adopted a statement, which says, in particular, that the assembly of representatives of the ethnic and cultural centers of Dagestan, Chechnya, and other Northern Caucasus peoples think the goings-on in Kizlyar to be an unprecedented tragedy in the centuries-long history of the Northern Caucasus peoples, which runs counter to the mountain peoples' code of honor.

"The Kizlyar tragedy," the statement says, "is yet another consequence of the Russian leadership's lack of a balanced nationalities policy. We are appealing to all sides involved in the military conflict, calling on them to be open to reason and to immediately stop the fratricidal war."

In their view, the Chechens themselves should be given an opportunity to decide their fate. Otherwise, there are bound to emerge yet more terrorists Basayev- or Raduyev-style, who will stop at nothing because the federal authorities' reluctance to resolve the Chechen problem peacefully has driven all the Chechens fighting for independence into a deadlock. They simply have no other choice but to take their revenge for killed relatives and kinsmen and destroyed houses. For this reason, there are no guarantees that similar terrorist inroads into other Russian cities will not be repeated.

The participants in the meeting pointed out that judging by the sentiments of the Northern Caucasus peoples, including Chechens themselves, Dzhokhar Dudayev has completely lost his authority, which amounts to Russia's political victory. Today, real political forces have emerged in Chechnya that are ready to cooperate with the federal authorities and to do their utmost so as to restore peace on Chechen soil. Only a further continuation of this war may force these people to rally once again around General Dudayev. Yet, Russia may lose its political edge, which it gained after the Kizlyar developments. Anti-Dudayev sentiments are currently strong among the Dagestanis. If the disarming of Raduyev's rebels is accompanied by a massacre of Dagestani hostages, however, this may give rise to anti-Russian sentiments. Then, the death of the hostages will be seen as a double-standard policy: In Budennovsk, where ethnic Russians were taken hostage, Moscow made concessions to terrorists. Currently, as never before, Moscow needs patience and wisdom if it is to resolve the crisis.

Moscow Urged To 'Fight in Earnest'

MK1601150796 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 16 Jan 96 pp 1, 4

[Report by Aleksandr Budberg: "A Corollary of 'Strange War.' It Is Time To Decide Either To Fight or To Go"]

[FBIS Translated Excerpt] By the moment the issue was signed to press, the "Pervomayskoye siege" was not over yet. There was no knowing what the tragedy may end in. [passage omitted]

The most curious things have started occurring in Dagestan itself. While initially everybody demanded in unison that the terrorists be punished at all cost, by Friday [12 January] — first of all, under pressure from local "nationalist movements" — the mood started changing. It is small secret in Dagestan that all the nationalist movements here are in fact very tight-run, nearly paramilitary structures that control nearly all business areas in the republic. They are made up mainly of athletes. We may not say that such structures profiteer from war by trading in arms, munitions, and medicines — there is no evidence supporting this. Yet, nor can we imagine that the interested persons may let such a profitable investment opportunity slip. For this reason there are no doubts whatsoever as to the fact that the anger at the Moscow authorities' actions in Dagestan is fueled largely artificially. It is difficult to imagine an old woman from a mountain village who can hardly speak Russian writing calligraphically in ink: "I Express No Confidence in Yeltsin."

Generally speaking, inviting people to attend a rally is a very easy thing to do. A bus or a truck accompanied by a foreign-made car carrying representatives of a corresponding nationalist movement arrive in a village. Jobless men (now farmers have no work in the field to do) immediately gather outside the mosque. A man from the foreign car says something like: "Let's go, guys! The people will make a decision!" The guys who have absolutely nothing else to do eagerly get into the bus; at a rally outside a checkpoint people from foreign-made cars speak almost without a pause, repeating over and over again that the hostages let it be known that they were ready to take up arms to fight the Russians together with the Chechens. The words of these provocateurs elicit a lively response. Within four days many have already forgotten how it all started and what happened in the Kizlyar hospital. For a highlander it is always easier to reach agreement with another highlander than with a resident of far-away lowland Russia.

Explaining anything to the rally participants is all the more difficult because there are no answers to elementary questions, such as how Kizlyar could occur at all? It is an open secret that Dagestan has essentially turned into the rebels' rear base. It is there that they get food, weapons, and treatment in local hospitals. Leaving their weapons in a cache in the bush they can freely move throughout the republic (or throughout Russia for that matter). And this is quite normal, just as it is normal to be able to buy a submachine-gun in the Khasavyurt marketplace for 1,700,000 rubles or to acquire a new passport for about 10 million. Crossing the border with Azerbaijan without a customs clearance costs 200,000 rubles. A large van can pass a traffic police post by paying 30,000-60,000 rubles, and so forth.

Generally, traffic police officers are the most respected people on the road. MOSKOVSKIY KOMSOMOLETS correspondents drove on the night of 9 January from Makhachkala right to Kizlyar, but no one requested our documents. Only one traffic police officer fined our driver for driving with his seat belt off — just 5,000 rubles on learning that there are journalists from Moscow with him.

This STRANGE war, in which no one wants to fight, corrupts OMON [Special Purpose Police Detachment] and police officers immensely. Before long they start collecting baksheesh from drivers, making the local police pale by comparison. They do not even check documents, but demand money right away. It is said that they leave for Russia fairly well off, but such law-enforcement officers are unlikely to elicit anyone's respect. All the more so because they — either out of fear or out of idleness — hit the bottle as hard they can, just as they were doing on the Kizlyar night. Locals recall this virtually in unison.

Moscow leaders are certain that the war in Chechnya is needed to keep Russia's integrity. Yet, whether Russia needs the Northern Caucasus republics, which depend on central subsidies for 80 percent of their budgets, is a question they have been unable to resolve for as long as 100 years now. Once they started using force, they should have brought "Bolshevik-style" order to the forces that enforce "constitutional order" in the first place. Courts martial are not the most pleasant medicine, but it is absolutely indispensable.

The government ought ACTUALLY TO WANT TO WIN THIS WAR IN EARNEST. It is no longer possible to let the sluggish carnage continue where everybody has already become accustomed to daily losses of two to three servicemen and where both outright and white-collar bandits profiteer from bloodshed. It should either fight in earnest, without undue sentimentalizing, or this should not have been started at all. Enough of sitting on the fence. Military men have a rule: Even wrong decisions must be fully carried out — otherwise, a complete surrender.

Yeltsin Decree Relieves Chubays From Post

LD1601182096 Moscow ITAR-TASS World Service in Russian 1804 GMT 16 Jan 96

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 16 Jan (ITAR-TASS) — The Russian president issued a decree today, relieving Anatoliy Chubays of his post as first deputy chairman of the Russian government "in connection with his transfer to other work," according to a statement from the press service of the Russian president which has reached ITAR-TASS.

The statement says that, in deciding this, Boris Yeltsin noted "the unexacting attitude displayed by Anatoliy Chubays towards federal departments in his sphere of competence and his failure to carry out a number of the Russian president's instructions."

Chubays Views Consequences of Change

LD1701003596 Moscow Russian Public Television First Channel Network in Russian 1800 GMT 16 Jan 96

[Video report by Aleksandr Ovsharov and Natalya Chernyshova; from the "Novosti" program]

[FBIS Translated Text] Anatoliy Chubays began a news conference in Moscow an hour ago. Prior to that he gave a special interview to one of our correspondents, unaware that his resignation had been accepted.

[begin recording] [Chernyshova] Anatoliy Borisovich, news agencies are reporting that you have resigned.

[Chubays] Yes, that is correct. I have indeed tendered my resignation. I believe a presidential decree will be signed shortly. I was appointed to this post by the president. When I learned that the president had seriously criticized me, my work, my natural reaction was to tender my resignation immediately.

[Chernyshova] You have just returned from the Kremlin. How did the conversation go?

[Chubays] I did not have a conversation in the Kremlin with the president.

[Chernyshova] Right then, how did the conversation go with Viktor Stepanovich [Chernomyrdin]?

[Chubays] We discussed the situation several times. We analyzed it. We decided what needed to be done to ensure that my being replaced does not lead to negative consequences on the economic situation as a whole, both in terms of personnel and the future line to be taken. I think that he and I decided on many fundamental questions.

I hope that a person is being replaced, not policies. I am profoundly convinced that to change policy now — especially five months before the presidential elections — would be a most monstrous mistake. I know for a fact that the sphere of my professional responsibility — the economy — reacts very badly to such maneuvers. If it is only a person being replaced, I see nothing dramatic happening as a result. If, however, economic, financial, and privatization policies are to be changed, this could, I believe, have very brutal repercussions for those who try to do this.

[Chernyshova] Do you know where you might go now?

[Chubays] I do not have the slightest idea.

[Chernyshova] Do you know who might take over from you?

[Chubays] Yes, we have discussed several possibilities. We agreed that the team must continue its work. Is this possible — that was the key issue for me. If it is possible, it means that a person is being replaced, not policies. The team is prepared to continue its work under such circumstances. If policies are changed, however, the team will not, of course, stay on to do its job. That is precisely what could have severe consequences.

[Chernyshova] My final question: is it possible that the president might refuse to accept your resignation?

[Chubays] I hope not. I think the worst thing would be to start jumping between different options, both from the point of view of big-time politics and, simply, from the point of view of my character. If that is the way things are, let them be. There is no point in turning back, no point in jerking this way and that. Decisions have to be made and implemented. This decision has been made, so it must be implemented. [end recording]

[Chernyshova] However, observers believe that Chubays's replacement will be one of the president's aides. Whatever happens, his name will always be associated with the change of course in our country's socioeconomic development. For now, Chubays and his team are going into their final news conference.

Livshits Views Fiscal Policy, Resignation

LD1601203396 Moscow ITAR-TASS in English 2014 GMT 16 Jan 96

[By Andrey Shtorkh]

[FBIS Transcribed Text] Moscow, January 16 (ITAR-TASS) — Russian presidential aide for economic matters Aleksandr Livshits on Tuesday said the cabinet "will not swerve from its policy aimed at financial stabilisation, slashing down inflation and improving living standards of Russian citizens." Livshits spoke at a briefing at the Kremlin.

At the same time, he admitted that "the present policy requires serious corrections, specifically dealing with enforcing greater fiscal discipline and achieving better coordination of the government and Central Bank activities."

The presidential aide labelled the situation with persistent underfinancing of federally-paid groups of the population as "inadmissible." He said President Boris Yeltsin was considering a "firm decree on the payment of wages to employees of organisations financed from the federal budget."

Commenting upon Tuesday's resignation of first vice-premier Anatoliy Chubays, Livshits said it "will not influence Russia's stance at talks with the International Monetary Fund."

However, the policy of privatisation which was largely shaped by Chubays required certain change, according to Yeltsin's aide.

"It should be thought out more thoroughly which particularly concerns management of federal blocs of shares and investment efficiency. What is also needed is serious improvement of the State Property Committee performance," Livshits stressed.

Asked about Chubays' possible successor, the presidential aide said that Yeltsin was "thinking over this challenging situation."

"The problem of a successor must be solved as soon as possible as the work should be started literally from tomorrow morning," he stressed.

Yeltsin Orders Improvement of Executive Discipline

LD1601160396 Moscow ITAR-TASS in English
1545 GMT 16 Jan 96

[By Andrey Surzhanskiy and Andrey Shtorkh]

[FBIS Transcribed Text] MOSCOW, January 16 (ITAR-TASS) — President Boris Yeltsin set before the presidential administration the task of ensuring a higher level of executive discipline in Russia, Nikolay Yegorov, the newly appointed chief of staff of the presidential administration, told a briefing on Tuesday.

Yegorov has taken the presidential administration from Sergey Filatov.

Yegorov cited Yeltsin as meaning that the executive discipline was low not only in his own administration but at the level of authorities of the state, including in Russia's component republics.

"I think I will be able to do all what is necessary to ensure links within divisions of the presidential administration, and between the administration, the government, the lower and upper houses of the Federal Assembly (parliament) and regions," Yegorov said.

He cited the need for promoting to a higher role the presidential administration's supervisory department, a body overseeing the enactment of presidential decrees. Yegorov explained that the task is to "stop the practice of postponement of deadlines for the implementation of presidential decrees for diverse, sometimes absolutely invalid reasons."

As for Russia's forthcoming presidential election, Yegorov said the presidential administration may not remain sidelined in the election campaign regardless of whether Yeltsin decides or not to run for a second term.

Yeltsin as the guarantor of the Russian Constitution must ensure the conduction of the election, and so his administration is to have a major role in arranging it, Yegorov said.

Yeltsin 'Action Group' Added to Election List

MM1701120496 Moscow ROSSIYSKAYA GAZETA
in Russian 16 Jan 96 p 6

[Unattributed report under the "At the Central Electoral Commission" rubric: "Action Groups Registered" — from the "Documents" section]

[FBIS Translated Text] In accordance with Articles 33 and 34 of the Federal Law "On the Russian Federation Presidential Election," the Russian Federation Central Electoral Commission has resolved to register the voters' action group which has nominated Russian Federation President Boris Nikolayevich Yeltsin as a candidate for the post of Russian Federation president for a second term.

The voters' action groups which have nominated the following candidacies for election to the post of Russian Federation president have been registered:

Andrey Fedorovich Zavidiya, president of the "Galand" Concern;

Aleksandr Vladimirovich Rutskoy, chairman of the "Derzhava" Social Patriotic Movement;

Aleksandr Sergeyevich Alekseyev, chairman of the National Association of Russian Trade Unions;

Viktor Stepanovich Chechenatov, commander of the Far East Military District;

Leonid Andreyevich Kazakov, economic adviser to the Saratov "Zashchita" Fund;

Sergey Panteleyevich Mavrodi, president of the "MMM" Open-Type Joint-Stock Company.

The Central Electoral Commission has also registered the plenipotentiary representatives of these action groups and the plenipotentiary representatives of the "'Assembly of National Democratic and Patriotic Forces' Sociopolitical Movement" electoral association, which has nominated Petr Vasilyevich Romanov, general director of the Yenisey Production Association, as a candidate for the Russian Federation presidency.

Groups Seen Indicating Public Mood

MM1701150796 Moscow ROSSIYSKIYE VESTI in Russian 17 Jan 96 p 1

[Report by Oleg Dmitriyev: "Three Action Groups Formed for the Reelection of Boris Yeltsin"]

[FBIS Translated Text] As of today the Central Electoral Commission has already registered three action groups for the reelection of Boris Yeltsin to the post of head of state (in all, 17 groups have been registered). Two of them are interregional, one is Samara-based. The names of the people heading them will mean nothing to the reader. There are no governors among them, nor any financial big shots. Nonetheless, the emergence of such groups seems to us to be primarily a serious indicator of the public mood. It is also no accident that there has been an appeal from the railmen (from the Sverdlovsk Railroad, Perm and Tagil junctions, and others) calling on the president to take part in the upcoming campaign and seeing it as one of the most important guarantees of stabilization. The initiative of Vladimir Komchatov, the president's representative for Moscow and one of the leaders of the Moscow group for the re-election of Boris Yeltsin, is also well known.

"We front-line men have come to the conclusion that at the moment there is no one in Russia capable of taking your place in the post of president. We therefore ask you to consent to run for a second term," A. Meshcherov writes from Mordovia. A. Ostapchuk, chief of a freightcar depot from Belgorod Oblast, addressing the head of state, notes: "...Your policy accords with the people's interests. We ask you to run for the post of president of the country for a second time." And there are plenty of similar appeals in the president's mail.

Vladimir Shumeyko, former chairman of the Federation Council, has also declared his support for the current president in the event of his putting forward his candidacy for a second time. "If Boris Yeltsin deems it necessary to draw on the assistance of the 'Reform — New Course' movement, we will call a congress and examine the possibility of supporting the president in the upcoming elections if he 'puts forward his candidacy,'" Shumeyko stated, adding that only Yeltsin could change today's economic course. The NDR ["Russia Is Our Home"] leaders indicated their unequivocal support for the head of state back in December of last year.

Boris Yeltsin has scope for maneuvering today. Quite broad scope. He also has time to make his choice. It is not ruled out that the head of state will act in a rather unexpected way, using blocking tactics or, on the contrary, the tactics of fragmenting the various social forces. One thing is beyond doubt: He will not be an onlooker in the emerging drama of the presidential election campaign.

Zyuganov Believes Yeltsin Will Run Again

LD1601213796 Moscow INTERFAX in English 1945 GMT 16 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 16 (INTERFAX) — Reports on Russian First Deputy Prime Minister Anatoliy Chubays submitting his resignation prove that Boris Yeltsin plans to run for re-election as Russian president in June 1996, Communist Party of Russia Chairman Gennadiy Zyuganov told INTERFAX Tuesday.

Before the presidential elections Yeltsin "is cleaning himself up from the entire team which has led the country to overall poverty and shame," Zyuganov said.

"What should have happened several years ago has happened," Zyuganov said. "Of course it is impossible to come out for the elections with such a ballast," he said.

Zyuganov said he believed that Chubays' resignation was not the last personnel change in the government. "A number of others [changes in the government] will follow," he said.

Soskovets To Head Presidential Elections

LD1601162496 Moscow ITAR-TASS in English 1605 GMT 16 Jan 96

[By ITAR-TASS correspondent Oleg Velichko]

[FBIS Transcribed Text] MOSCOW, January 16 (ITAR-TASS) — Russian First Vice-Premier Oleg Soskovets on Tuesday urged to draw lessons from parliamentary election results in the forthcoming presidential campaign.

President Boris Yeltsin on Monday told the press that Soskovets will head a body in charge of Russian presidential elections and will combine these duties with his work in the government.

Soskovets said that the major focus should be made on informing voters about government efforts aimed at stabilising national economy and spurring industrial production growth.

Otherwise, opponents of the current course of reforms will get an opportunity to criticise the president and the government not troubling themselves about any plausible arguments, Soskovets said.

"We witnessed such situation late last year when some politicians argued that everything is wrong in the country — businesses are terminating, industry is collapsing, inflation is rising," the vice-premier noted.

According to Soskovets, the Russian leadership is still to communicate its intention to revise current economic policies to the population. He said that the government's general anti-inflation drive and firm financial policy will be combined with a search for solutions to problems of the society and domestic manufacturers.

Soskovets also said that the staffing of the future election headquarters is already underway. In his words, former presidential chief of staff Sergey Filatov will be appointed one of his deputies. Other members are to be selected in the next few days.

Soskovets Not To Transfer Powers

LD1701131996 Moscow ITAR-TASS in English 1248 GMT 17 Jan 96

[By Oleg Velichko]

[FBIS Trancribed Text] MOSCOW, January 17 (ITAR-TASS) — First Deputy Chairman of the Russian Government Oleg Soskovets, appointed by Boris Yeltsin chief of the all-Russia headquarters for election of a Russian president, told ITAR-TASS today that he does not intend to transfer his powers to other members of the Cabinet." The work at the presidential election headquarters will have a character of public activities," Soskovets said.

Incidentally, this statement was made after Anatoliy Chubays, former Vice-Premier of the Russian government responsible for economic issues, had tendered his resignation.

Soskovets said that he continues to supervise issues of industrial politics, military and industrial sector and fuel and energy complex, transport, communications and a number of other industries. According to Soskovets, he will remain the head of key government commissions, including a commission on operational issues and the restoration of the Chechen economy and its social sector, modernization of the structure of the executive power, protection of state secrets and other commissions.

New Presidential Chief of Staff Discusses Priorities

LD1601183696 Moscow INTERFAX in English 1631 GMT 16 Jan 96

[FBIS Transcribed Text] Moscow, Jan 16 (INTERFAX) — Newly appointed Presidential Chief of Staff Nikolay Yegorov told a press conference in Moscow Tuesday that his top priority will be "to assist Boris Yeltsin in the exercise of his constitutional powers."

Yegorov said the presidential administration will work "as Boris Nikolayevich [Yeltsin] demands." In particular, he promised to toughen control of the implementation of presidential decrees and decisions. Yegorov underlined that his predecessors, Yuriy Petrov and Sergey Filatov, had created a legislative, organizational and personnel foundation for the better work of the presidential administration.

In answer to an INTERFAX question, Yegorov said there will be personnel reshuffles in the presidential administration, but he was not going "to swing his sabre."

Yegorov said he will need some time to grasp all the delicate features of such a complicated mechanism as the presidential administration. "If changes are needed, I am confident the president will back me," he added.

Yegorov said conclusions will be made on the basis of the Duma election results. These conclusions will turn the president's policy towards social policy, he added.

Election Perspective of Kremlin Personnel Changes

MM1601163296 Moscow KOMSOMOLSKAYA PRAVDA in Russian 16 Jan 96 pp 1, 3

[Article by Nikolay Dolgopolov: "Yeltsin Prepares for New Match and Sets Out Pieces]

[FBIS Translated Text] Yesterday Nikolay Yegorov was appointed the Russian Federation president's chief of staff. Sergey Filatov was relieved of the post "in connection with his transfer to other work."

The game of Kremlin secrets is apparently close to completion. President Yeltsin is about to publicly announce his intention to run for president again. The creation of a solid support staff is already under way.

But Filatov's departure from the post of presidential chief of staff is not just part of the election preparations. The long struggle for influence over the Kremlin's main figure has come to an end. The interdepartmental battle between Filatov and Viktor Ilyushin, the president's first assistant, has ended in victory for the latter. By all accounts his political closeness to Yeltsin will become even more marked and will in a certain sense become unassailable.

Whereas Filatov is leaving, first on vacation, and then to be deputy leader of Yeltsin's election campaign. Incidentally, here he will have to share coauthorship of possible success — or defeat — with Vice Premier Oleg Soskovets. An excellently well-informed source in the

Kremlin merely shrugged his shoulders in response to a puzzled question about the impossibility of such dual power. What is there to explain? Sergey Aleksandrovich will apparently be in charge of and will organize the campaign on the part of the presidential structures. Oleg Nikolayevich will assume the role of the government's overseer.

Does this mean that in this game of solitaire Premier Chernomyrdin will be left only with his "Home"? Evidently yes. At the same time Soskovets, who has kept a low profile in recent months, has also been put in a place that has been clearly defined for him. Some people are guessing that certain Kremlin circles would not be averse to presenting Soskovets as Boris Nikolayevich's successor. But the top brass thought that it was too soon yet: The country is not yet very familiar with the protege whose meteoric career simply knows no equal. He probably has about another four years to go, and then.... But now, if everything goes according to plan, Soskovets and Filatov will have to work hand in glove, shoulder to shoulder. Formally Filatov has been appointed deputy chief of staff. Soskovets is his chief.

There were three candidates for the post of presidential chief of staff. In alphabetical order they are former Nationalities Minister Nikolay Yegorov, who made such a poor showing in Chechnya; Viktor Ilyushin himself; and... Vladimir Shumeyko, the regular candidate for all top positions, who yesterday chaired the last session of the outgoing Federation Council and is apparently left without a job.

However, Vladimir Filippovich did not particularly distinguish himself there. According to some conjectures the role of soloist in the president's support group has been set aside for him. The not readily comprehensible "Reforms-New Course" party that he heads will have to pave the way as smoothly as possible for Yeltsin. While it is assumed that Ilyushin will remain attached to the president. The post of chief of staff is higher in the Kremlin hierarchy. But it is impossible to predict how a man who could end up in Ilyushin's current post will behave: Be satisfied with what you have got, it was decreed.

So it turns out that Filatov's office has been taken by Yegorov. A rather unexpected choice. Communicating with the very diverse public does not come easily to Yegorov. Neither practical experience nor Filatov's intelligence is enough. Although different opinions have been voiced. Yegorov, it is said, is a perspicacious, farsighted man. A certain provincial uncouthness and lack of outward polish are by no means main failings in a leader. In this brief article we are talking only about Kremlin personnel changes, albeit very important changes for the country. More serious problems lie beyond the personnel. What is the president's state of health? Will he be able to assume responsibility for the country's future for another four years? What new or expected things will Boris Nikolayevich introduce, or at least does he intend to introduce, into our and his lives? Will the president's image, which is currently being subjected to very serious criticism, be changed? There are a multitude of questions. We await the answers.

Border Chief Enemies Fed Yeltsin 'False Information'

MM1601133996 Moscow KOMSOMOLSKAYA PRAVDA in Russian 13 Jan 96 pp 1, 2

[Report by Igor Chernyak under the "Today's Topics for Conversation and Debate" rubric: "General Has His Pride"]

[FBIS Translated Text] Last Tuesday an unprecedented event took place in the higher echelons of the Russian authorities: After the Russian Federation president's criticism of the border guards, Colonel General Andrey Nikolayev, director of the FPS [Federal Border Service], handed in his letter of resignation.

As it emerged on the same day, Boris Yeltsin's rebukes were — to put it mildly — unfair. Our sources in the Kremlin assume that false information was obligingly given to the head of state by very influential enemies of Nikolayev (it is said by someone very close to him), in order to discredit him not only in the eyes of Yeltsin and of the military (it is no secret that the colonel general is regarded as a serious candidate for one of the leading posts in the Russian Armed Forces and enjoys a considerable reputation there), but also of the public.

It has to be admitted that the schemers have achieved their goal: The clip in which Yeltsin gives the FPS director a roasting went out on all television channels a total of around 20 times — it would have been hard to have missed it.

The same day, the president categorically rejected Nikolayev's resignation, and, having clearly cooled down, met with the colonel general on Wednesday and "expressed his support for the measures being taken by the border guards" in the region of Chechnya. We can only guess whether Yeltsin apologized to the commander in chief. Whatever may have happened, little is changed by it: The reproaches went out all over the country, and there will now be an undeserved stain on the general's reputation for a long time to come. As we expected, there has been no mention of punishing those who fed the president with false information.

The matter of the letter of resignation went practically unnoticed: People do not have time for such "trifles" when the lives of hundreds of people are under threat in Pervomayskoye. Still, in my view, Nikolayev's act is deserving of attention. We have somehow already gotten used even to high-ranking Russian officials and generals swallowing sharp and humiliating criticism without a murmur, brushing themselves down, and going back to work as if nothing had happened. There are more than enough examples: from Kostikov, who was thrown into the Yenisey but made out that nothing had happened, to the humiliated Kozyrev, who frantically held onto his post until the last. Against this background, the FPS director's letter of resignation looks like the act of an officer in the best traditions of the Russian Army, reminding us that the words "I have the honor" are still not meaningless for all the military.

This is gives us hope.

Deputy Premier Bolshakov Launches CIS Commission

MM1501144396 Moscow PRAVDA in Russian 13 Jan 96 p 2

[Report by Nikolay Musiyenko: "The Core Is There. What Next?"]

[FBIS Translated Text] "By virtue of having the largest production and scientific potential and the biggest market, and as a result of the historical traditions of joint development within a single state framework, the peoples in most of the former Union republics now find themselves objectively gravitating toward Russia as the leading force in shaping a new system of political and economic relations among them," Aleksey Bolshakov, vice premier of the Russian Federation Government and chairman of the Government Commission on CIS Issues, stressed at the commission's first session.

The new commission, set up following a directive from the Russian Federation president, is intended to work at the "junctions" — that is, to coordinate the actions of different ministries and departments in the sphere of cooperation with the countries of the near abroad.

A. Bolshakov went on to note that the way in which Russia's relations with its nearest neighbors develop will directly determine not only its security but also its positions in the international community. The task of creating a common market for the CIS countries is now coming to the fore. Russia, Belarus, and Kazakhstan, having entered a customs union, have already formed an integrated core within the Commonwealth — a core which Kyrgyzstan, Uzbekistan, and Tajikistan are also ready to join.

Daily Lists Leading Public Appointments

MM1601101896 Moscow ROSSIYSKAYA GAZETA in Russian 13 Jan 96 p 1

["Official Report"]

[FBIS Translated Text] By edict of the Russian Federation president, Vyacheslav Ivanovich Trubnikov, first deputy director of the Russian Federation Foreign Intelligence Service, is appointed director of the Russian Federation Foreign Intelligence Service.

By edict of the president the following are relieved of their duties in connection with a transfer to other work:

Vladimir Aleksandrovich Barabanov, from the post of the Russian Federation president's representative in Bryansk Oblast.

B.B. Yefimov, from the post of Russian Federation minister of transport.

In connection with election as Federal Assembly State Duma deputies:

N.I. Travkin, from the duties of member of the Russian Federation government.

S.G. Belyayev, from the post of chairman of the Russian Federation State Committee for the Management of State Property.

Boris Yuryevich Kuznetsov, from the post of head of Perm Oblast Administration.

By directive of the president Vladimir Nikolayevich Slavin is appointed chief of a Russian Federation Presidential administration [upravleniye presidenta Rossiyskoy Federatsii] and chief of the Secretariat of the Russian Federation President's Foreign Policy Council.

Faction Leaders Cited on Policy Priorities

MM1701101396 Moscow ROSSIYSKAYA GAZETA in Russian 16 Jan 96 p 1

[Unattributed feature citing Sergey Belyayev, Grigoriy Yavlinskiy, Gennadiy Zyuganov, and Vladimir Zhirinovskiy under the heading "Equation With Four Known Factors; First Session of the New Parliament Begins Today"; place and date of statements not given]

[FBIS Translated Text] Sergey Belyayev (Russia Is Our Home):

"The program documents of Russia Is Our Home set out the priorities with which our faction intends to work in the State Duma. They mainly concern the direction we wish to take in economic policy, defense and security, social policy, and also science, culture, and education.

Insofar as we can judge from the news of the talks about the position of speaker, on the eve of Sunday's meeting of the "big four" I. Rybkin stood the best chance of getting the job. It is no accident that the former speaker has not yet joined any of the associations. He intends to run as an independent for the post of head of the parliament. Representatives of the NDR and "YaBLoko" factions have stated their support for I. Rybkin. According to certain information, even V. Zhirinovskiy did not object to this candidate.

But we have learned that, during the talks, the Communists took a hard line, demanding that the post of head of the parliament go to V. Kuptsov, one of the leaders of the Communist Party of the Russian Federation [CPRF]. V. Zhirinovskiy sat on the fence. As a result the discussion was deadlocked. But the chances that I. Rybkin will once again be head of the parliament remain relatively good.

The problem of the allocation of the deputy speaker positions was resolved more easily. They will probably be taken by the faction leaders.

A preliminary analysis of the standing of forces in the Duma shows that, despite its obvious movement to the left of the political spectrum, the Duma will be unlikely to become the source of the same kind of upheavals as the Khasbulatov Supreme Soviet was. The size of the Communist faction is impressive, of course. But, on the other hand, the CPRF's only natural and reliable ally in the new Duma may be the Ryzhkov-Baburin group. And then not always. Insofar as we can tell, the Agrarians — the Communists' former comrades-in-arms — are now inclined to take a more centrist stance, closer to the NDR.

Many informed sources in the Duma are talking about a major rapprochement with the NDR faction (which, judging by everything, will be the Communists' main opponent and the most constructive force) and the V. Zhirinovskiy faction. NDR representatives are also stating that they are hopeful of cooperation with "YaBLoko".

As a result, a kind of parity is emerging. The approximately 200 avowed Communists in the Duma will be opposed by almost the same number of anti-Communists. The results of dealings with many new deputies show that the recent reshuffles undertaken by the president in the government and his own staff have won him support among the lawmakers.

Two years ago A. Sobyanin's analysis group studied the results of the first month of the fifth Duma's work. The conclusions reached in February 1994 show that 256 deputies did not support the president and the government, while 188 did. It cannot be ruled out that in the sixth Duma the level of support for the executive may even have increased compared to those results.

Moreover, it is very likely that the huge and unruly CPRF faction will split into two or three communist associations. On the one hand, this will strengthen the positions of the Communists on the Duma Council. But, on the other hand, such a split could lead to antagonism between the very communist factions which would form in line with the political sympathies of their members (some would prefer G. Zyuganov, others V. Kuptsov).

It cannot be ruled out that the Communists will nonetheless try to put the soundness of the executive to the test and put forward a vote of no confidence in the government. But most Duma leaders are skeptical about the possibility of such an attempt succeeding.

But, on the whole, the situation prevailing in the sixth State Duma on the eve of its first plenary session allows us to conclude that, provided that the presidential and government teams act pretty sensibly, the new Russian parliament will not be able to have a major impact on political and economic policy. Deputies will be too involved in solving their own problems, including the race for the presidency. They are unlikely to enrich Russian legislation with masterpieces of lawmaking over the next six months, but nor should they cause any great problems for the current authorities.

CPRF Plenum Discusses Election, Immediate Tactics

MM1701093896 Moscow PRAVDA in Russian 16 Jan 96 p 1

[Report by Valentina Nikiforova under the "Events and Commentaries" rubric: "New Test for CPRF"]

[FBIS Translated Text] The 12 January CPRF [Communist Party of the Russian Federation] Central Committee plenum deemed the results of the State Duma election to be satisfactory. It was noted in CPRF Central Committee Chairman Gennadiy Andreyevich Zyuganov's report and in the speeches and debate that the 17 December elections' main result was to deliver a public nationwide vote of no confidence in the "party of power" and its policies. Consequently, the aim which the communists are setting themselves of peacefully extricating Russia from the impasse it is in without violence or a civil war, is absolutely justified.

The tactics of the party and of the faction — as part of the party — for the coming six months were devised at the plenum and the seminar of party activists that preceded it. This period will not be easy as 35 percent of seats in the Duma only gives them a moral right to

Our faction is made up of 58 parliamentarians, and we are actively working among deputies to bring other, independent parliamentarians into the faction."

Grigoriy Yavlinskiy (Yabloko):

"It is becoming perfectly obvious that, if Yeltsin and Chernomyrdin continue with their current policies, they will get a negative result in the presidential election. However, they do not want to understand that failures in economic policy, when you fail to pay pensions and you fail to pay wages to teachers, doctors, and the military, are failures that will lead to the Communists' taking power."

Gennadiy Zyuganov (Communist Party of the Russian Federation):

"We have set ourselves the task of forming a broad coalition of national patriotic forces in the new Duma. A significant group of deputies from the Russian Agrarian Party and from the 'Power to the People!' bloc came through in single-mandate districts. There are deputies with single-mandate seats representing trade unions and commodity producers with whom normal cooperation would also be possible. I will be frank: We are open to dialogue with anyone who appreciates that our country needs policies whereby it will be to people's advantage to work and study properly, instead of stealing and getting drunk."

Vladimir Zhirinovskiy (Liberal Democratic Party of Russia):

"If the current president were to send all terrorists before the firing squad, end the war in the Caucasus, and return elderly people's money by restoring their investments, he would have a chance of winning and we would come second. The president should take off his white gloves and rose-colored glasses and restore order in the country."

Sixth Duma Likely To Be 'Dissolved' After 16 Jun

MM1601154596 Moscow IZVESTIYA in Russian 16 Jan 96 pp 1-2

[Report by Sergey Chugayev: "New Duma Unlikely To Be Source of Political Upheavals"]

[FBIS Translated Text] The first plenary session of the new sixth Russian Federation State Duma, scheduled for 16 January, has every reason to be a landmark event. For the first time in the modern history of Russian parliamentarianism the supreme organ of the country's legislative power has been able to see out the term allotted it by the Constitution and to hand over its powers to its successors. This phenomenon may even be unique. At any rate, many of the newly elected deputies are not counting on a long career as lawmakers. Irrespective of their political views, they are united in the opinion that following the presidential elections — whatever the outcome — the sixth Duma will be dissolved.

The process of the deputies' political parting of the ways and self-determination continues. But we can already talk quite definitely about the standing of the main political forces in the lower house.

The Communists are in first place. They are followed by the "Russia Is Our Home" [NDR] faction, which had assembled 57 people by the end of last week. We can assume that it will not stop there. Third place — with 45 people — is currently held by the Liberal Democrats. Although they could have been second. As always there are some strange incidents involving that faction. Six Liberal Democrats who got into parliament on the party list resigned their seats. Whether V. Zhirinovskiy will be able to replace them, contrary to the law, with other people, remains an open question.

The "YaBLoko" faction (31 deputies) could quite easily be overshadowed by already formed deputies' groups. The A. Chilingarov-headed "Russia's Regions" group has already signed up 40 people. The Agrarians have also recruited almost 40 deputies to their colors. The "People's Power" group set up by N. Ryzhkov and S. Baburin has announced that it numbers 37 legislators.

The events on the eve of the Duma's first plenary session allow us to talk about one very important and firmly enshrined element in Russian parliamentary practice. The system of a closed political club in which the priority role is played by factions formed from party list winners — a system which emerged during the course of the last elections — has developed and grown stronger thanks to the adoption of the law on elections. Just as the law's critics warned, the victorious parties, having won the right to the status of factions, have immediately essentially usurped the right to resolve the most important issues of the new parliament's organization, despite the fact that they represent the interests of a small section of voters. Four faction leaders are deciding behind closed doors who will be Duma speaker and vice speaker (as was the case at the 14 January meeting), and are dividing up the portfolios of Duma committee chairmen. The other half of the parliament can only consent to the decisions made.

Last week representatives of A. Chilingarov's group tried to break into this club, but were immediately and severely rebuffed. It is only after the most important Duma posts are distributed that the other deputies' associations will be allowed to register and obtain their rights as factions.

fight the regime and its policies, as there has not yet been a fundamental breakthrough for the communists in the hearts of the public.

Although opposition to communism has not yet disappeared, it would be naive to think that the authorities will take this as something to be expected, turn over a new leaf, and create favorable conditions for the CPRF. This will not happen.

For patriots favoring a strong state the day of the Russian presidential election will be a trial when Russia's fate is decided; for those in power, it will be their own personal fate that will be decided. But they are egotists and will pay any price. The wounds of August 1991 and October 1993 are still festering today. However, some unknown scenario cannot be ruled out.

It is clear that the main task for all party organizations during the first half of 1996, will be to prepare for and participate in the Russian Federation presidential elections and the elections of the organs of regional government and local self-government. The plenum supported the founders of the group proposing the candidacy of Gennadiy Andreyevich Zyuganov for the Russian presidency; after its registration, it will be possible to begin collecting signatures, and the party conference fixed for 15 February will determine the tactics of its work in the run-up to the elections.

Everything will be decided by the communists' ability to unite people around them who champion the homeland. The CPRF is also counting on the support of the UCP-CPSU [Union of Communist Parties-CPSU] Political Council. Incidentally, participants in the plenum expressed their sincere thanks to the former USSR republics' communist parties, which supported the CPRF in the State Duma elections.

This is one part of the work. The other involves parliamentary activities. The faction has almost quadrupled in size. But whether it has become stronger and more professional will be shown by its ability to raise the legislative chamber's significance to the necessary level and to actively influence the situation in Russia, for having won their parliamentary seats, our elected representatives have become part of the authorities. The 13 worker deputies and seven agrarians linked to labor collectives are capable of determining the value of this or that draft law, decree, or statement fairly well. It is clear that they will especially have to conserve the professional legislators' energies: Unfortunately there are only six legal specialists and three economists in the faction. There are, on the other hand, organizers, administrators, political scientists, and journalists — who are of great assistance in the drawing up of legislation. Meaning that there is a opportunity to competently "tie" currently drafted laws to a specific situation or region, and to look for supporters there.

Edict, Statute on Foreign Policy Council Published

MM1601092896 Moscow ROSSIYSKAYA GAZETA in Russian 13 Jan 96 p 6

[Russian Federation Presidential Edict No. 1304 "On the Foreign Policy Council Under the Russian Federation President," signed by Russian Federation President B. Yeltsin in Moscow, The Kremlin, on 26 December 1995, followed by statute on the Council — from the "Documents" section]

[FBIS Translated Text] In order to increase the effectiveness of Russian Federation foreign policy and to implement the Russian Federation president's powers in determining the main areas of the state's foreign policy, I decree that:

1. A Foreign Policy Council is to be set up under the Russian Federation President.

2. The appended Statute on the Russian Federation Presidential Foreign Policy Council is approved.

3. The Russian Federation Presidential Staff and the Russian Federation Presidential Administration of Affairs are to take the necessary measures to ensure the activity of the Russian Federation Presidential Foreign Policy Council.

4. This edict comes into force the day it is signed.

[signed] Russian Federation President B. Yeltsin
[dated] Moscow, The Kremlin, 26 December 1995

Statute on the Foreign Policy Council Under the Russian Federation President

1. The Russian Federation Presidential Foreign Policy Council (hereinafter referred to as the Council) is headed by the Russian Federation president. The Council is a coordinating body under the Russian Federation president which carries out the preliminary examination and interdepartmental study of Russian Federation foreign policy questions and the preparation of the appropriate proposals for the Russian Federation president.

2. The legal basis for the Council's activity is provided by the Russian Federation Constitution, federal laws, edicts and directives of the Russian Federation president, and this statute.

3. The Council's main objectives are:

— to prepare proposals and recommendations for the Russian Federation president with respect to determining the principles of Russian Federation foreign policy and exercising guidance over it in accordance with the Russian Federation president's powers;

— to elaborate proposals for the Russian Federation president on ensuring coordinated collaboration among federal state power bodies in the foreign policy sphere;

— to brief the Russian Federation president on foreign policy aspects of federal state power bodies' activity;

— to analyze and forecast the international situation and to study Russian public opinion on the state's foreign policy in order to prepare briefing and analysis materials on these questions for the Russian Federation president;

— to participate in the preparation of draft normative legal acts on Russian Federation foreign policy questions.

4. In carrying out its activity the Council has the right:

— to request and obtain in the prescribed manner the necessary information from federal state power bodies, Russian Federation components' state power bodies, local self-government organs, public associations, and scientific institutions and organizations;

— to hear information at its sessions from the leaders of federal executive branch bodies on questions regarding their implementation of the state's foreign policy;

— to set up expert commissions comprising appropriate specialists to carry out research on Russian Federation foreign policy.

5. The Council's membership is approved by the Russian Federation president.

In terms of posts the Council's membership includes the leaders of:

the Russian Federation Ministry of Foreign Affairs;

the Russian Federation Ministry of Defense;

the Russian Federation Ministry of Foreign Economic Relations;

the Russian Federation Ministry for Cooperation With Member-States of the Commonwealth of Independent States;

the Russian Federation Ministry of Finance;

the Russian Federation Federal Security Service;

the Russian Federation Foreign Intelligence Service;

the Russian Federation Federal Border Service;

and the Russian Federation president's assistant in charge of questions concerning foreign policy activity.

If necessary, leaders of other interested federal executive branch bodies can be brought in to participate in the Council's work.

6. A Council session, in which the Russian Federation president participates, is to be held at least once every two months.

The Council is convened by the Russian Federation president or on his instructions by the Russian Federation Minister of Foreign Affairs.

A Council session is quorate if attended by over one-half of its members. Decisions are adopted by a simple majority.

7. The Council carries out its activity in accordance with plans approved by the Russian Federation president.

The Council's decisions are recommendatory, are recorded in minutes of the Council sessions, and are sent to the Russian Federation president.

8. To facilitate the consideration of fundamental foreign policy questions the Council ensures the coordination of foreign policy activity on questions requiring prompt coordinated decisions.

The Council submits agreed documents and materials on such questions to the Russian Federation president for consideration.

9. Operational questions concerning the Council's activity are assigned to the Russian Federation president's assistant in charge of questions concerning foreign policy activity.

10. The Council's activity is ensured by its apparatus, which is part of the Russian Federation Presidential Staff.

'Text' of Foreign Policy Secretariat Statute

MM1601102896 Moscow ROSSIYSKAYA GAZETA in Russian 13 Jan 96 p 6

[Text of Russian President's Edict No. 1305 signed by Russian Federation President B. Yeltsin in the Kremlin, Moscow, on 26 December 1995: "On the Russian Federation President's Administration — the Secretariat of the Russian Federation President's Foreign Policy Council" accompanied by the "Statute On the Russian Federation President's Administration — the Secretariat of the Russian Federation President's Foreign Policy Council" — from the "Documents" section]

[FBIS Translated Text] [Text of Edict] To support the Russian Federation President's foreign policy activity, I decree:

1. That the Russian Federation President's Administration [upravleniye] — the Secretariat of the Russian Federation President's Foreign Policy Council be formed.

2. That the attached Statute on the Russian Federation President's Administration — the Secretariat of the Russian Federation President's Foreign Policy Council be ratified.

3. That the Leader of the Russian Federation President's Staff approve the structure and numerical strength of the Russian Federation President's Administration — the Secretariat of the Russian Federation President's Foreign Policy Council.

4. This Edict enters into force on the day of its signing.

[signed] B. Yeltsin, president of the Russian Federation.
[dated] The Kremlin, Moscow. 26 December 1995.
Edict No. 1305

Statute on the Russian Federation President's Administration — the Secretariat of the Russian Federation President's Foreign Policy Council.

I. General Provisions

1. The Russian Federation President's Administration — the Secretariat of the Russian Federation President's Foreign Policy Council (hereafter known as the Administration) is a structural subdivision of the Russian Federation President's Staff [administratsiya] and supports the activity of the Russian Federation President's Foreign Policy Council.

2. In its activity the Administration is guided by the Russian Federation Constitution, the Russian Federation's laws, the edicts and directives of the Russian Federation President, the directives of the Leader of the Russian Federation President's Staff, as well as by this Statute.

3. The Administration's activity is monitored by the Leader of the Russian Federation President's Staff; the Administration conducts its current activity under the direction of the relevant aide of the Russian Federation President.

II. The Administration's Tasks and Functions

4. The Administration's tasks are to support the activity of the Russian Federation President's Foreign Policy Council and the Russian Federation President's foreign policy measures.

5. In the implementation of its tasks the Administration performs the following functions:

it ensures the preparation of Council sessions and of the Russian Federation President's decisions on current foreign policy questions and the monitoring of the implementation of decisions, conducts work in periods between Council sessions, the examination of departments' proposals on personnel questions requiring implementation by acts of the Russian Federation President, and the elaboration of draft international legal and domestic acts affecting the foreign relations sphere and questions of the ratification of the Russian Federation's international treaties;

it organizes and conducts interdepartmental coordination in connection with the examination of concrete questions pertaining to relations with foreign countries, the preparation of the Russian Federation President's international visits and top-level visits to the Russian Federation by foreign politicians;

it cooperates with the Russian Federation Foreign Ministry and other ministries and departments on questions of planning the Russian Federation President's foreign policy measures, ensures the coordination of plans for the Russian Federation President's foreign visits and foreign trips by the leaders of the Russian Federation's organs of state power;

it organizes interaction and cooperation between the Russian Federation President's Staff and the apparatuses of foreign countries' presidents and supreme executive organs;

it participates in the preparation of foreign policy materials for the mass media;

and where necessary it provides assistance and consultative help to subdivisions of the Russian Federation President's Staff on questions pertaining to the Administration's competence.

III. Supporting the Administration's Activity

6. For the performance of its functions the Administration has the right:

to request and obtain in the prescribed manner the necessary materials and information from the Russian Federation's executive organs and subdivisions of the Russian Federation President's Staff;

to enlist in the prescribed manner other organizations and establishments of the Russian Federation for the solution of questions connected with the Russian Federation President's foreign policy activity;

to use in the prescribed manner the data banks of the Russian Federation President's Staff and the federal executive organs;

to use state, including government, communications systems.

7. The material-technical, documentation, information, and transport backup for the Administration's activity is to be provided by the relevant subdivisions of the Russian Federation President's Staff and the Russian Federation President's Administration of Affairs.

IV. Leadership of the Administration

8. The Administration is headed by the chief of the Administration who is appointed to and released from the post by the Russian Federation President on the recommendation of the Leader of the Russian Federation President's Staff.

9. The chief of the Administration shall have deputy chiefs. The structure and numerical strength of the Administration are to be approved by the Leader of the Russian Federation President's Staff.

10. The chief of the Administration:

leads the Administration and bears personal responsibility for the results of that activity;

submits to the Leader of the Russian Federation President's Staff after coordination with the corresponding Russian Federation presidential aide proposals on the structure of the Administration and the appointment and removal of Administration workers;

allocates duties among deputy chiefs and defines the official duties of the Administration's workers;

and submits proposals, in the prescribed manner on incentives for the Administration's workers.

Military & Space Issues

Military Satellite Launched From Plesetsk

LD1601172396 Moscow ITAR-TASS in English 1654 GMT 16 Jan 96

[By Viktor Gritsenko]

[FBIS Transcribed Text] MOSCOW, January 16 (ITAR-TASS) — Russian military space forces have launched a Kosmos-3M rocket at 18:34 on Tuesday [16 January] from Russia's northern space port Plesetsk.

The rocket is to bring to orbit another military satellite of the Kosmos series, the press centre of the military space forces told ITAR-TASS.

No Kosmos booster rockets have been launched for some three months in the wake of the last unsuccessful launch which resulted in placing a satellite in an unnominal orbit.

An expert probe ascertained that the likely cause of the failure was "a partial obstruction of the oxidiser pipe by a foreign object." With the cause delineated, the commission gave a go-ahead to further launches of the Kosmos boosters.

Today's launch has been the 625th mission of the Kosmos rockets, all previous launches being from Kazakhstan's space site Baykonur and from Russia's Plesetsk and Kapustin Yar.

Parameters of Military Satellite Given

LD1701131596 Moscow ITAR-TASS World Service in Russian 1250 GMT 17 Jan 96

[By ITAR-TASS freelance correspondent Viktor Gritsenko]

[FBIS Translated Text] Moscow, 17 Jan (ITAR-TASS) — The Cosmos-2327 military satellite launched on Tuesday [16 January] was put into orbit with parameters close to these estimated ones: Period of revolution 104.9 minutes; inclination of orbit 83 degrees; apogee 1,033.7 km; perigee 974.6 km. ITAR-TASS was told this by the press center of the Russian Federation Military Space Forces today.

Cosmos-2327 is the first satellite launched by Russia this year. It was launched from Plesetsk on a Cosmos-3M carrier rocket.

Federal Assembly

Yabloko Proposes Duma No-Confidence Motion

LD1701133896 Moscow INTERFAX in English 1327 GMT 17 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 17 (INTERFAX) — The Yabloko faction led by liberal economist Grigoriy Yavlinskiy proposed a motion of no-confidence in the government on Wednesday.

Faction member Yelena Mizulina, who made the proposal on the faction's behalf during the Duma debates on the situation in Chechnya and the North Caucasus in general, noted that this is an effective way for the deputies to "exert constitutional pressure on government institutions of power."

"It is obvious that the president and the government that sent troops to Chechnya will not voluntarily resolve the situation" because "those who have sent the troops will not pull them out," she said.

Mizulina urged the Duma to launch a procedure of no-confidence in the government. "The scale of combat actions is growing as is the number of casualties, and the whole Russia may be destroyed before we elect a new president and he changes the government," she added.

At the same time, she pointed out that her faction believes that there is no need to start impeachment proceedings against the president because the upcoming presidential elections scheduled for June 16, 1996, will be "a test for public trust for the president."

In addition, Mizulina noted that it is impossible "to formulate legal grounds for the impeachment of the president" following the Constitutional Court's ruling justifying the president's and government's actions that led to the outbreak of hostilities in Chechnya.

The deputies have not voted on Yabloko's proposal. Under the Duma's regulations, it will need the support of at least 90 deputies to start the procedure of no-confidence in the government.

Duma Urged To Issue Statement on North Caucasus

LD1601204796 Moscow INTERFAX in English 1945 GMT 16 Jan 96

[FBIS Transcribed Text] Moscow, Jan 16 (INTERFAX) — The communists in the State Duma have urged the lower house to issue a special statement on the North Caucasus. The communist faction drafted a call to President Yeltsin asking him to "make all actions by federal troops subordinate to one goal, that of saving innocent people" held hostage by Chechen militants in the village of Pervomayskoye, Dagestan.

The communist faction says in the wake of the latest tragic developments in the North Caucasus, the authorities must take every measure to prevent terrorist actions by Chechen militants in the future, disarm them at an early date and punish all those responsible for the massacres in Budennovsk, Kizlyar and Pervomayskoye.

"In the wake of the bandit attacks on Budennovsk and Kizlyar it has become quite evident that the taking of hostages, including women and children in territories neighboring on Chechnya, is an integral element of carefully planned operations by criminal gangs of the Dzhokhar Dudayev regime aimed at triggering full-scale war in the North Caucasus and southern Russia," statement runs.

"The use of terrorism against civilians and the presence of foreign mercenaries among the Chechen militants has brought up the question of taking a harder line against bandit groups in Chechnya," the communist faction said in the statement.

The communists also said that "the authorities' imbecility is a direct consequence of the originally vicious attitude to the Chechen crisis relying on the use of force and ruling out political means."

"The State Duma has repeatedly come out for a peace settlement of the conflict and now it confirms commitment to that position," the communists say in their draft statement.

Duma Deputies Comment on Terrorism

LD1701115596 Moscow Russian Television Network in Russian 1100 GMT 17 Jan 96

[Passages within quotation marks recorded; from the "Vesti" newscast]

[FBIS Translated Text] Today some State Duma deputies spoke about Chechen terrorism which, it seems, is spilling over the Russian borders.

[G. Yavlinskiy] "I think it is banditry, there is nothing more to say."

[V. Varennikov] "Of course, the most urgent measures must be taken, the most urgent and resolute measures. First of all, naturally, talks should be held and, second, force must be used whenever necessary."

[V. Zhirinovskiy] "The Turkish authorities must free (the ship) immediately. If they fail to do so we will kick out the Turkish ambassador from here. So the blame is entirely on the Turkish authorities. Let them do the same as what they are doing to the Kurds! They are bombing the Kurds every day — let them bomb the terrorists who are doing such things in Turkey."

[S. Baburin] "My reaction to all hostage-taking cases is invariable: The bandits must be done away with, and the struggle against them must be serious. Not tanks but state wisdom should be used."

[K. Borovoy] "These terrorists are strange, to say the least, because they are trying to stop the war and save their nation from destruction. In such a situation any civilized country enters into talks."

Mikhaylov To Duma: Hostilities To Continue in Chechnya

LD1701113596 Moscow ITAR-TASS in English 1126 GMT 17 Jan 96

[By Ivan Novikov]

[FBIS Transcribed Text] MOSCOW, January 17 (ITAR-TASS) — Federal forces will continue combat operations against "concrete armed detachments in Chechnya", Minister for Nationality Affairs Vyacheslav Mikhaylov said on Wednesday [17 January], speaking at the State Duma (Russian parliament lower house) in a debate "on the situation in the village of Pervomayskoye and the Chechen republic".

According to the minister, "force methods of struggle" against Chechen rebels will be conducted "in combination with the development of peace political process to settle the crisis in Chechnya".

Issues Facing New Duma Pondered

MM1701154796 Moscow SOVETSKAYA ROSSIYA in Russian 16 Jan 96 p 1

[Article by Vladimir Isakov under the "Parliamentary Diary" rubric: "Think Before You Decide: The Legacy We Leave"]

[FBIS Translated Text] Unlike the First State Duma, the second one will start its work today under normal human conditions: It has a parliament building, a debating chamber, rooms for committees and deputies, and the minimum office equipment necessary (admittedly, all this is registered as the assets of the Presidential Staff). But, in the final analysis, the new Duma will have no fewer problems than its predecessor.

Chechnya will clearly be the most acute problem the new Duma will have to contend with. All the chronic "ills" of Russian power — its recklessness, the dangerous tendency to try to solve difficult problems by coercion, confusion when faced with a fierce enemy, poor organization, and the inability to see any task through — are distilled in this superficially regional conflict.

The Chechnya conflict has exposed the extremely dangerous condition of federal relations in Russia. The Russian Federation has been brought to a state similar in many respects to that which preceded the collapse of the USSR. Economic relations have been sundered. The Constitution and laws are effectively inoperative. Nationalism and regional separatism, which are encouraged by the center's inept national-state (more accurately, antistate) policy built on the tried-and-tested Moscow principle of "I'll see you are well looked after and turn a blind eye to your outrageous behavior, while you will support me for this." The sudden acute crisis of central power, which today enjoys no moral, legal, or official standing, could provoke wholesale destruction of the whole system of federal relations along the lines of August 1991.

If you are searching for the causes of such a state, the first thing that must be pointed out is the reckless economic policy — the policy of accelerated building of capitalism from the fragments of the economic, political, and spiritual structures of Brezhnev-cum-Gorbachev socialism. Today it can be stated with complete certainty that it has not worked. No matter how hard they have tried to produce a sewing machine, it has again turned out to be a Kalashnikov assault rifle.

The Duma's task is to stop the progressive destruction of the country's economic, scientific, and technical potential without forsaking the hard-won economic, political, and ideological diversity. Incidentally, Sergey Glazyev's idea of "pulsed" economic reform, combining targeted measures providing economic incentives for production and employment with an anticrisis and anti-inflationary policy, could fit the bill here.

Questions of ownership must occupy an important place in the new Duma's economic strategy. The reformers who came to power under slogans of respect for the right of ownership and the need to revive real owners organized wholesale theft of the people's assets — state property. As a result the existing economic structures were destroyed and an economy rife with crime on an unprecedented scale was created in its stead. The private property yearned for by the reformers has existed in a legal vacuum, as it could be returned by the courts from someone's illegal ownership in complete compliance with the norms of the existing Criminal Code.

Does this have to be done? Virtually all the political forces clearly realize that it is no longer possible simply to "return everything" that way. From this standpoint, the "reformers" have achieved their end — what they have done is irreversible. But all is not lost. It is clear that the problem should be divided into several elements. First, the relevant part of the state's debts must be attached to property transferred into private hands. It could only happen in our country: You hand over the property while retaining the debts. And we wonder why the state has no money for anything. That is why.

Second, only those people who have "piratized" property in circumvention of the law, employing bribery or other criminal means to do so, or who have breached their commitments should be prosecuted. In those cases where property is being effectively used and is producing an income the state must do all it can to protect the private property owner against high-handed behavior and prevent any economically and socially suicidal "illicit carve-up."

The idea of settling foreign debts by means of illegally exported property is very popular among deputies. Indeed, it is difficult to understand why states which obligingly throw open their doors to the illegal, including criminal, flight of capital from Russia and encourage its investment should adopt the pose of tight-fisted creditors when their own investment is involved. You effectively get robbed twice. I think that legal mechanisms to resolve this problem can be found provided there is a desire for such on both sides.

Questions of ownership are inextricably bound up with the problems of power. The decade of "perestroyka and reforms" has convincingly demonstrated that nothing fundamental has changed in the sphere of power in Russia. The general secretary's place has been taken by a president who pays very little heed to the existence of the Constitution or laws. The place of the Central Committee has been taken by the Presidential Staff, which works out real state policy behind firmly closed doors. The place of the party plenum, which included the regional nomenklatura, has been taken by the Federation Council, which is formed on precisely this principle. The place of "Lenin's" Politburo has been taken by "Yeltsin's" Security Council. The government remains the organ of state economic leadership, while the place of "democratic decoration" has been taken by the noisy, sometimes stormy, but completely harmless Duma. If something has changed in this scheme of things, it is not for the better: The government is nowadays accountable not to parliament, but to the president, while the president himself is removed from any real accountability to the people or the law. It has to be acknowledged with regret that the Russian ruling elite (Moscow-based and local) has simply been unable to master the technique of civilized, legal methods of governing society which it promised (and still does promise) to learn.

The need to alter this absurd system of power, which serves as a permanent source of deadlock, crises, and various kinds of "revolutionary situations," has been fully grasped in society. Mass media organs of the most diverse political leaning, including "democratic" and even pro-government ones, have exposed the unsatisfactoriness of this system. But in reality little has been achieved. Very cautious and moderate amendments to the Russian Federation Constitution designed to restore a relative balance of power and at least minimum parliamentary oversight over the use of military force have mustered the necessary number of votes in the State Duma but been comprehensively blocked by the president's supporters in the Federation Council. Discussion of these amendments in the components of the Russian Federation has revealed a positive reaction on the whole at regional level. The continuation and completion of this work constitutes one of the new Duma's tasks.

In the foreign policy sphere priority must be given, in my view, to problems of integration within the area of the former USSR. While I am fundamentally opposed to the Belovezhskaya Forest Agreements, I think that the mechanical denunciation of them today would be of little benefit and would even, on the contrary, be detrimental. It is necessary to prepare a new treaty-cum-legal basis and create a real economic, political, and spiritual foundation upon which to unite the states. A powerful political breakthrough is possible in this domain which scarcely anyone will be able to stop.

The deputies of the previous Duma have bequeathed the new one a sizable package of draft laws — more than 500. But the members of the Duma will be making a big mistake if they dive headlong into this maelstrom. It is essential to establish which laws should be adopted first, which afterwards, and which should be consigned without regret to the wastepaper basket.

But, of course, the deputies will not be able to escape the traditional "panoply" of subjects — crime, pensions, the budget, the social protection of the population, the crisis in the Army, the devastation of the country's science and culture — all those things which the previous Duma tackled so fervently but in which, unfortunately, it achieved so little success.

There is great deal of work to be done. We wish the new Duma "Bon voyage!"

Gennadiy Seleznyov Elected State Duma Speaker

LD1701152396 Moscow ITAR-TASS in English 1519 GMT 17 Jan 96

[By Pavel Kuznetsov]

[FBIS Transcribed Text] MOSCOW, January 16 (ITAR-TASS) [dateline as received] — Gennadiy Seleznyov, 48, representative of the Communist Party of the Russian Federation, was elected chairman of the State Duma (lower house of the parliament) on Wednesday [17 January].

Seleznyov was supported by 231 votes in his favour thus surpassing the required number of 226 votes to be elected.

Details of Voting for Duma Speaker Given

LD1701160296 Moscow ITAR-TASS in English 1540 GMT 17 Jan 96

[By Pavel Kuznetsov]

[FBIS Transcribed Text] MOSCOW, January 17 (ITAR-TASS) — The State Duma (lower house of the Russian legislature) on Wednesday elected Gennady Seleznev, 48, its chairman.

Seleznev, nominated by the Communist Party, received 231 votes in his support thus surpassing the required number of 226 votes necessary for the election.

Duma ex-speaker Ivan Rybkin, supported by the pro-government Our Home is Russia bloc and some independents, got 150 votes whereas Vladimir Lukin from the liberal Yabloko faction received only 50.

On Tuesday, Seleznev lacked just seven votes to get elected.

NDR Opposes Communist Speaker in Duma

LD1601184096 Moscow INTERFAX in English 1631 GMT 16 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 16 (INTERFAX) — The leader of the Russia Is Our Home (NDR) parliamentary faction, Sergey Belyayev, categorically opposed the election of a Communist speaker of the new State Duma.

The speaker must not be elected from a majority party, Belyayev told INTERFAX Tuesday. The Communist Party of Russia controls 157 seats in the new Duma. "In this case, the chairman's powers will be used to create a party nomenclature acting in accordance with the principle of party dictatorship," he explained.

Three candidates, including Communist Gennadiy Seleznyov, Yabloko's Vladimir Lukin and independent deputy Ivan Rybkin, have been nominated for the post.

Liberal Democrat leader Vladimir Zhirinovskiy withdrew his candidacy, saying he will "focus on the presidential elections."

According to Belyayev, it would be best for the deputies to re-elect Ivan Rybkin as Duma chairman, because "he is not subject to influence by any faction or deputies' group, unlikely to use his powers in somebody's favor."

As for Lukin, Belyayev said, "I do not see chances for him to be elected."

Ivan Rybkin stands the best chance to be elected as Duma chairman, much better than the other candidates, Liberal Democrat leader Aleksandr Vengerovskiy, told INTERFAX Tuesday. He said he considered Rybkin to be "the ideal politician."

Zhirinovskiy Faction Leave During Vote

LD1601182896 Moscow ITAR-TASS in English 1809 GMT 16 Jan 96

[By Pavel Kuznetsov]

[FBIS Transcribed Text] Moscow, January 16 (ITAR-TASS) — Leader of the ultranationalist LDP [Liberal Democratic Party] faction in the State Duma Vladimir Zhirinovskiy on Tuesday commanded his faction to leave the opening meeting of the lower house of the Russian legislature.

Zhirinovskiy announced the walkout after the Duma decided to hold the second round of the elections of its speaker today, whereas LDP insisted that it should be postponed until Wednesday.

After Zhirinovskiy and his men left, leaders of other three major factions in the Duma — Communists, liberal Yabloko and pro-government Russia Is Our Home — announced a one-hour break for consultations.

Earlier, the Duma failed to elect its speaker in the first round of secret ballot.

Gennadiy Seleznev representing the Communist Party of the Russian Federation, received 216 votes, Ivan Rybkin backed by the Russia Is Our Home was second with 166 votes. They were to compete in the second round of the ballot.

The third candidate to the post, Vladimir Lukin from the Yabloko faction got only 56 votes of lawmakers.

Communist Support 'Exhausted' in Vote

LD1701101396 Moscow ITAR-TASS in English 0949 GMT 17 Jan 96

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] MOSCOW January 17 (ITAR-TASS) — The Communist party of Gennadiy Zyuganov, which enjoys over a third of seats in the new State Duma, failed to ensure an easy success at the first key vote on the speaker, and now the reformist Yabloko bloc of Grigoriy Yavlinskiy can become the "arbiter" in the deadlock.

Communist candidate Gennadiy Seleznev lacked 10 votes in the first vote and seven votes in the second round to become the speaker. The Communists have thus actually exhausted all support in the State Duma, although, according to Yabloko member Viktor Sheynis, they still have a chance to push Seleznev to the post.

"In such conditions it is Yabloko which becomes the main "arbiter" of the situation", Sheynis told Tass on Wednesday recalling that the pro-government Russia Is Our Home bloc and the Liberal Democratic party of Valdimir Zhirinovskiy refrained from voting at all on Tuesday night. The Yabloko did not vote either in the second round after its candidate Vladimir Lukin was defeated in the first vote.

It is clear that bargaining is underway and the Yabloko, which is the smallest faction, tries to get the maximum possible number of the posts of Duma committee heads.

Sheynis said a new attempt to elect the speaker, his deputies and committee heads by one list is being undertaken at present and discussed at consultations of the leaders of the four Duma factions and three groups.

"If no agreement is reached, it is not ruled out that a new candidate for the post of the speaker emerges. Many deputies would welcome the election to the post of the speaker of a politically neutral person", according to him.

But Sheynis admitted at the same time that Seleznev still retains "big chances" to be elected.

Shokhin: Committees Must Be Re-Allocated

LD1601184796 Moscow INTERFAX in English 1631 GMT 16 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 16 (INTERFAX) — Leaders of State Duma factions must begin the discussion of candidacies for heads of Duma committees "from scrap" after the election of the Duma speaker, Aleksandr Shokhin, a leader of the Russia Is Our Home Duma faction, told journalists Tuesday before the secret vote on the election of the speaker.

Gennadiy Zyuganov (Communist Party faction), Ivan Rybkin (independent) and Vladimir Lukin (Yabloko faction) were on the ballot paper for the secret vote.

According to Shokhin, the initial "large package" of proposed candidacies for the speaker, his deputies and heads of committees envisaged that the post of speaker would go to a representative of the Communist Party faction.

The Sunday and Monday negotiations between faction leaders failed because the Communist Party insisted on getting not only the post of the speaker but also the posts of heads of "a significant number of other key Duma committees," said Shokhin.

He also believes that distributing major posts only between representatives of party factions would violate the rights of the deputies elected in single-mandate constituencies. He said that the currently formed groups of deputies must take part in further consultations after they are registered.

According to Shokhin, consultations on the candidacies of committee heads are to be held Thursday, and their results are to be announced at the Duma session Friday.

Four Factions, Three Groups Registered in Duma

LD1601220996 Moscow ITAR-TASS in English 2047 GMT 16 Jan 96

[By Pavel Kuznetsov]

[FBIS Transcribed Text] MOSCOW, January 16 (ITAR-TASS) — Head of State Duma's provisional registration body Gennadiy Benov said that the four parliament factions and three groups of deputies were officially registered as of Tuesday. Benov spoke at Tuesday's session of the lower house.

The Communist Party faction in the house was registered as having 149 members, followed by the Russia Is Our Home faction — 55 members, the Liberal Democratic Party faction — 51 members, and the Yabloko faction — 46 members.

The body also put on record the Russian Regions group as consisting of 42 members and having several co-chairmen including Ramazan Abdulatipov and Artur Chilingarov. The two others were the group of 35 Agrarian Party members headed by Nikolay Kharitonov and the Power of the People group having 37 members and headed by Nikolay Ryzhkov.

Federation Council 'Working Group' Members Named

MM1701115796 Moscow ROSSIYSKAYA GAZETA (Documents Section) in Russian 16 Jan 96 p 5

[Russian Federation Presidential Directive No. 10 dated 6 January 1996 and signed by Russian Federation President B. Yeltsin]

[FBIS Translated Text] For the purpose of fulfilling Russian Federation Presidential Edict No. 8 of 5 January 1996 "On Convening the Russian Federation Federal Assembly Federation Council," a working group is to be set up with the following membership:

Ye.S. Stroyev, head of Orel Oblast Administration (leader of the working group);

V.P. Arbuzov, head of Kostroma Oblast Administration;

O.A. Bogomolov, chairman of Kurgan Oblast Duma;

A.Kh. Galazov, president of the Republic of North Ossetia-Alania;

A.Ye. Glushenkov, head of Smolensk Oblast Administration;

V.V. Derevyanko, chairman of Tula Oblast Duma;

M.A. Zaytsev, chairman of the State Assembly of the Republic of Bashkortostan;

V.M. Zubov, head of Krasnoyarsk Kray Administration;

A.I. Kazakov, chief of the Russian Federation Presidential Staff Administration for Work With the Territories;

V.M. Kokov, president of the Kabardino-Balkar Republic;

O.P. Korolev, chairman of Lipetsk Oblast Deputies' Assembly;

R.G. Orekhov, chief of the Russian Federation president's State Legal Administration;

V.M. Platonov, chairman of Moscow City Duma;

L.Yu. Roketskiy, head of Tyumen Oblast Administration;

Ye.S. Savchenko, head of Belgorod Oblast Administration;

V.N. Stepanov, chairman of the Government of the Republic of Karelia;

A.S. Suvorov, chairman of the Koryak Okrug Duma;

V.V. Sudarenkov, chairman of Kaluga Oblast Legislative Assembly;

A.A. Surikov, chairman of Altay Kray Legislative Assembly;

V.N. Tumanov, head of Pskov Oblast Administration;

A.V. Filipenko, head of the Khanty-Mansiysk Autonomous Okrug Administration;

M.Sh. Shaymiyev, president of the Republic of Tatarstan (Tatarstan).

[Signed] B. Yeltsin, president of the Russian Federation
6 January 1996.

Commission Receives Fedorov Presidential Nomination

LD1701143996 Moscow INTERFAX in English 1331 GMT 17 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 17 (INTERFAX) — The Russian Central Electoral Commission received the registration documents of a group of voters which has nominated former Finance Minister Boris Fedorov as a presidential candidate.

Commission secretary Aleksandr Veshnyakov told INTERFAX that the commission has also received the registration documents of a group which has nominated Anatoliy Sidorov, director of the Institute of Economics and Enterprise, as its candidate to run in the upcoming presidential elections slated for June 1996.

The commission has already registered 17 such groups, he said.

Regional Affairs

Russian Negotiators in Chechnya Favor Renewing Talks

LD1601175596 Moscow INTERFAX in English 1631 GMT 16 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 16 (INTERFAX) — Russian deputy chief negotiator at talks with Chechen separatists in Groznyy Arkadiy Volskiy today said he deemed it necessary to resume talks on peace settlement in Chechnya, an internal Russian breakaway republic.

"The Chechen conflict can be settled only by peaceful means," Volskiy, who is also the president of the Russian Union of Industrialists and Entrepreneurs, told INTERFAX in an interview Tuesday. "There is no alternative," he said.

Volskiy said that firstly the special observer commission for monitoring the implementation of the July 30 military agreement should resume its activity. Political talks should follow that, he said.

Shkirko: Operation Progressing 'According to Plan'

MM1601191696 Moscow IZVESTIYA in Russian 17 Jan 96 p 3

[Report by Viktor Litovkin and Igor Vandenko: "Capital's Military Specialists Refrain From Comment for Lack of Information"]

[FBIS Translated Text] Your correspondent Viktor Litovkin telephoned several generals and senior officers at the Russian Armed Forces General Staff and its directorates and in the government apparatus and other departments, requesting their comments on the progress of the operation to free the hostages in Pervomayskoye.

Virtually all those I spoke to declined to do so. There were several reasons for this: There is no official information from the scene of the combat operations, while the information reported via the mass media cannot serve as an adequate source for serious military analysis. Moreover, fighting generals (including those who experienced the Afghan War) would prefer to judge the progress of the operation on the basis of their own observations on the spot, once they have investigated the situation in detail and established a clear idea of the men and materiel at the disposal of the federal forces and the guerrillas and the nature of the terrain, rather than fragmentary information obtained in Moscow.

Nevertheless, many of them did state on the basis of first impressions that the situation is ambiguous. Of course, they said, the bandits could not be allowed to get off scot-free, but too much time was given to preparing the operation, which allowed Dudayev's formations to dig in in the population center and, by all accounts, set up an effective minefield and fire-delivery system.

In the military's opinion, the best place for "discussion" with the gunmen is, of course, in open terrain. At the same time your correspondent's interlocutors maintained that only subunits especially trained in freeing hostages, which primarily rely on special methods and techniques for conducting such operations, rather than the firepower of the air force or ground troops, should be used to tackle such a task.

Your correspondent Igor Vandenko asked Anatoliy Shkirko, Russian deputy internal affairs minister and commander of Russia's Internal Troops, to comment on the progress of the operation in Pervomayskoye.

The general made clear that final conclusions will only be possible when the operation is over and all the information about its progress is to hand, while from Moscow at present it is possible to note only general trends:

"The operation is developing strictly according to plan, including the timing. Three main factors influence the fact that fighting is still going on in Pervomayskoye and is into its second day, and that only some of the hostages have been freed. This is above all the desire to preserve the hostages and protect our own people and, finally, the potential of a well-armed enemy who is desperately making each house count."

Helicopter Gunships Begin Attacks on Pervomayskoye

AU1701085796 Paris AFP in English 0837 GMT 17 Jan 96

[FBIS Transcribed Text] Outside Pervomayskaya, Russia, Jan 17 (AFP) — Russian forces attacking Chechen rebels in the Dagestani border village of Pervomayskaya have decided to "end the operation today" because the rebels are executing their hostages, Federal Security Service (FSB) spokesman Alexander Mikhailov said here Wednesday [17 January].

"It is clear that the hostages are being executed. The Chechen bandits have ordered (rebel leader Salman) Raduyev to liquidate the hostages," Mikhailov told reporters.

"Today this will end. The operation will be completed," said Mikhailov, adding that "now we are in a situation where it is not a question of liberating hostages."

Russian helicopter gunships launched repeated rocket attacks on the rebels holed up in Pervomayskaya Wednesday, and heavy shooting could be heard inside the village, which Russian forces began assaulting early Monday.

Four Russian GRAD rocket launchers were moved into place near the village Wednesday.

Army Comments on Grad Rocket Launchers

LD1701141196 Moscow INTERFAX in English 1327 GMT 17 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 17 (INTERFAX) — Grad rocket launchers are usually not used for covered targets, such as dug-outs, trenches and fortifications, a representative of the Russian army artillery command told INTERFAX, commenting on the movement of four Grad launchers to Pervomayskoye in Dagestan today.

He said that rocket launchers are used for open targets, including columns of enemy vehicles.

It will take several salvos of the rocket launchers to destroy the main forces of gunmen in the settlement, said the military.

A Grad battery (four launchers) covers an area of 500x500 meters with one salvo, he said. Each launcher has 40 shells with a 122-millimeter caliber. Their shooting range is 21 kilometers.

Grad efficiency for covered targets is smaller in comparison to the efficiency of artillery. The military said that the shelling of Pervomayskiy may be combined and involve the Grad rocket launchers and artillery for better efficiency.

'Intense Bombardment' Reported

AU1701114496 Paris AFP in English 1128 GMT 17 Jan 96

[FBIS Transcribed Text] Outside Pervomayskoye, Russia, Jan 17 (AFP) — Russian forces launched an intense bombardment of Chechen rebels in the village of Pervomayskoye Wednesday [17 January], an AFP reporter on the scene said.

GRAD multiple rocket launchers, helicopter gunships and artillery were all being used, he said.

Militants Reportedly Holding On in Pervomayskoye

LD1701122496 Moscow INTERFAX in English 1014 GMT 17 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 17 (INTERFAX) — By midday on January 17, the Dagestani village of Pervomayskoye had not been fully cleared of the Chechen militants led by Salman Raduyev, a high-ranking representative of a power ministry told INTERFAX.

He said on Wednesday morning the federal troops fired at the center of the village where the militants were concentrated.

"Before the final stage of the operation to free the hostages, aviation and artillery shelled the fire emplacements of the militants who had entrenched themselves on the approaches to the center of the village," he said.

Intercepted radio exchanges suggest that the Dudayev headquarters instructed Salman Raduyev once again to "hold on".

Pervomayskoye Soldiers 'Angry' With Own Command

MM1601163896 Moscow KOMSOMOLSKAYA PRAVDA in Russian 17 Jan 96 p 1

["Reportage From Pervomayskoye" by Viktor Sokirko: "Assault After Assault. But Blood and Tears Lie Ahead Instead of Victory"]

[FBIS Translated Excerpt] The operation in Pervomayskoye is drawing to an end. Its price has been terror and suffering on the part of innocent people. How many more lives will we sacrifice in this senseless war? [Passage omitted]

It is impossible now to get through to Pervomayskoye — police cordons and Army barriers have been set up around it. Not even vodka is any help on the near approaches. Previously journalists were allowed to get a little closer in exchange for it. Only rifle shots and grenade explosions can be heard — to all appearances, the spetsnaz are "mopping up" the village and flushing gunmen out of houses and cellars.

The frost, which intensified last night, is prompting the federal troops to take more decisive action — they want to end this battle as quickly as possible. The soldiers are angry both with the gunmen and with their own command. As one member of the spetsnaz in a mask said, on the first day of the assault there was a dreadful lack of coordination between the troops and the aircraft. Several times helicopters fired on their own men, and it was only by a miracle that there were no casualties. "All this resembles not a war but some show. Moreover, we do not know what we are dying for here or who will take care of our families afterward." The soldiers intend to smash the gunmen as quickly as possible and to put their demands to the command.

...By the end of the day 16 January the Dudayevists' seats of resistance in Pervomayskoye had still not been finally crushed.

As this issue was being signed to press there had been no substantial changes. The federal troops had captured the Novosibirskiy police checkpoint, where they freed 28 hostages. Gunmen were holed up in the school building and mosque. It is in these seats of resistance that fierce fighting is now taking place.

Military Cited on Russian Casualties in Pervomayskoye

LD1601204296 Moscow INTERFAX in English 1945 GMT 16 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 16 (INTERFAX) — Fighting in the village of Pervomayskoye, the internal Russian republic of Dagestan, killed two officers of the Russian Interior Ministry's Vityaz elite group, two interior troops servicemen and the commander of a special rapid-reaction unit, Andrey Krestyaninov, a well-informed Russian military source told INTERFAX on Tuesday evening.

Between 30 and 40 federal troopers were wounded, the same source said.

The military source said these casualties had been registered by mid-day Tuesday. The report has not thus far been updated, he said.

Earlier, Russian "power" structures said six federal paratroopers were killed in Pervomayskoye.

INTERFAX's military source quoted hostages evacuated from the area of military actions as saying Chechen hostage-takers led by Salman Raduyev in Pervomayskoye included foreign mercenaries: an Indian resident, two Tajik residents, a Uzbek resident, several Arabs and people of Slav origin.

Dagestan: 300-400 Chechens Said Massing on Border

LD1601225396 Moscow Russian Public Television First Channel Network in Russian 2100 GMT 16 Jan 96

[From the "Novosti" newscast]

[FBIS Translated Text] ARGUMENTY I FAKTY NOVOSTI has reported, citing data from the border troops main headquarters, that according to operational reports, Dudayev's militants are massing at Lake Goluboye [untraced] near the Dagestani village of Botlikh. There are around 300 or 400 of them. They have so-called Gray Wolf mercenaries from Turkey in their ranks, as well as Pakistani Black Storks who were renowned for their special cruelty during the Afghan war. The border guards are taking all measures to repel a possible attack.

Chechens Not Seen Gathering on Border

LD1701010896 Moscow ITAR-TASS World Service in Russian 0040 GMT 17 Jan 96

[By ITAR-TASS correspondent Sergey Chereshnev]

[FBIS Translated Text] Moscow, 17 Jan (ITAR-TASS) — By nightfall hardly any news had come in from the area around the village of Pervomayskoye, but, to all appearances, the operation to free the hostages is continuing there. This was reported to the ITAR-TASS correspondent by telephone from Makhachkala by the operational duty officer for the Ministry of Internal Affairs of Dagestan.

According to him, no activation of Dudayev's formations had been observed on the border with the Chechen republic. All the subunits of the republic's Ministry of Internal Affairs are in a state of operational readiness; measures have been taken to prevent fresh acts of terrorism.

Chechen Rebel HQ Denies Ordering Terrorist Attacks

LD1601205796 Moscow INTERFAX in English 1945 GMT 16 Jan 96

[FBIS Transcribed Text] GROZNYY, Jan 16 (INTERFAX) — The main headquarters of Chechen rebel armed formations today denied the report alleging that Chechen rebel commander Aslan Maskhadov had ordered the launch of terrorist acts in Chechnya and Dagestan, Russian internal republics, starting from 10:00 p.m. Tuesday.

"Maskhadov has never given such an order and never will," a representative of the rebel headquarters told reporters in a village in southern Chechnya.

Earlier today, the center for public relations of the Russian Federal Security Service reported that information on Maskhadov issuing such an order had been obtained by radio interception.

Dagestani Official on Fighting in Pervomayskoye

LD1701061896 Moscow ITAR-TASS in English 0605 GMT 17 Jan 96

[By Gadzhi Shamov]

[FBIS Transcribed Text] MAKHACHKALA January 17 (ITAR-TASS) — Fighting in the Dagestani village of Pervomayskoye, where Russian commandos are engaged in a hostage-freeing operation against Chechen terrorists, continued as for 07:00 hours (04:00 GMT) on Wednesday [17 January] thus entering its third day, Dagestani deputy interior minister Gennadiy Shpigun told TASS.

He said four Dagestani commandos were killed and seven wounded in fighting on Tuesday evening.

Commenting on reports that fighting was already raging outside Pervomayskoye, Shpigun said he had no such information, but added that could have been a manoeuvre of federal forces to bypass the Chechen terrorists from flanks.

Security Service Official on Pervomayskoye Situation

LD1701084896 Moscow Mayak Radio Network in Russian 0520 GMT 17 Jan 96

[FBIS Translated Excerpt] It is 0820 in Moscow now. Now about the chronology of the latest events in the Dagestani village of Pervomayskoye. As you know, we have not had any fresh information all morning. Our correspondent Anatoliy Fedorov is at the public relations center of Russia's Federal Security Service right now. It is probably better informed. Over to you:

[Fedorov] Good morning. There is some information but it is not very extensive or significant. Even such a powerful service as the Federal Security Service has problems with its contact with the village of Pervomayskoye. There will always be problems with communications. Before I ask Colonel Aleksandr Zdanovich, first deputy head of the public relations center, to describe the situation there during the night and this morning, I would like to put the following question to him: the mass media give various casualty figures in Pervomayskoye. Quite often those figures are contradictory. What does Aleksandr Aleksandrovich think about this? Can one talk about losses? Is it necessary to talk about losses, taking into account the situation in Pervomayskoye? I will put him on the line.

[Zdanovich] First I would like to say that medical workers will probably have the most exact information on casualties. The situation is changing, and naturally any figures which are published will be contradictory because they come from different sources and relate to different times. [passage omitted: Zdanovich says that Dudayev's sources tend to exaggerate the Russian losses; Zdanovich refuses to either deny or confirm that Maskhadov's threats of violence are linked to the hostage-taking in Groznyy and Turkey]

[Fedorov] My last question is: what is the position of the forces, the federal forces, and the militants, in Pervomayskoye? Can you, please, name again the casualty figures and say how many hostages have been freed?

[Zdanovich] I have already said that there is specific situation at a specific period of time. According to information available to us, the federal troops in the village of Pervomayskoye are acting very thoroughly and in a very precise manner because there is a danger to the hostages. In order to avoid it and reduce to the minimum possible losses [word indistinct], very precise work is being carried out in the center of Pervomayskoye, in the region of the mosque, where both the hostages and the militants are staying. The casualty figures are practically the same as last evening: six to eight people were killed, according to various assessments, and about 30 people wounded. A total of 28 people have been freed.

[Fedorov] And another question. How long do you think this operation will last?

[Zdanovich] When there is a combat operation under way, it is difficult to say how long it will last. We hope that we have done with the bandits and the hostages will be freed and that they will be alive.

[Fedorov] This is what the press center of the Federal Security Service said this morning. Lads here have been processing and dispatching information for the ninth day running, spending nights and days here. [passage omitted]

'Virtually No Hostages' Reported in Pervomayskoye

LD1701122196 Moscow ITAR-TASS in English 1214 GMT 17 Jan 96

[FBIS Transcribed Text] OUTSIDE PERVOMAYSKOYE, Dagestan, January 17 (ITAR-TASS) — "We are sure that there are virtually no hostages in the village of Pervomayskoye," Mikhaylov, head of the public relations centre of the Federal Security Service, told journalists here on Wednesday [17 January].

Mikhaylov confirmed that federal forces freed 28 hostages, according to available information on Wednesday morning.

It was impossible to establish, up to this time, the exact number of hostages captured by Chechen rebels in Kizlyar and Pervomayskoye. Various sources mentioned various approximate figures — between 70 and 160 people — in the past days.

Mikhaylov Gives Figures on Released Hostages

LD1701103296 Moscow Russian Public Television First Channel Network in Russian 0900 GMT 17 Jan 96

[From the "Novosti" newscast]

[FBIS Translated Text] This is the third day since the special subunits of the federal forces embarked on the operation geared toward rescuing the hostages in Pervomayskoye. We have just received a report from our correspondent Anton Vernitskiy in Pervomayskoye.

[Vernitskiy] Local residents have been crowding by the checkpoint near the village of Pervomayskoye for a third day now. They have been spreading rumors that allegedly the Russian troops themselves have been shooting deliberately at the buildings housing the hostages.

The battle went on in Pervomayskoye throughout the night. With the advent of daylight artillery fire intensified. Aleksandr Mikhaylov, head of the public relations center of the Federal Security Service, said that the fighters were constantly using underground passages dug out in the village to move the hostages.

[Begin Mikhaylov recording] The situation is this. Yesterday a number of hostages were released. They said that the fighters were shooting and effectively destroying the buildings housing hostages. In the process of the operation yesterday 28 men came out. They were released. These are confirmed figures. Yesterday I said 26 people were released. By this morning however 28 hostages had been released. Six Russian troops were killed. Thirty-eight men were injured. Today, in connection with the fact the fighting went on for the whole night, most diverse types of infantry weapons, both automatic and heavy ones, were used. Massive fire came from the fighters. They are situated in a tight and well-fortified area, using deep trenches, good fortifications, and an enormous amount of machinery and armaments. Today the operation will effectively be completed. [end recording]

[Vernitskiy] Aleksandr Mikhaylov said he personally questioned the released hostages at debriefing centers. The released hostages said that the fighters had used them as a human shield. They said there were about 250 fighters.

Dudayev Spokesman: 80 Hostages Taken 16 Jan

LD1701134596 Moscow Radiostantsiya Ekho Moskvy in Russian 1300 GMT 17 Jan 96

[FBIS Translated Text] We return to events in Chechnya. A spokesman for [Dzhokhar] Dudayev claims that another 80 people or so were taken hostage in various parts of the republic yesterday. Movladi Udugov, the minister of information and press in Dudayev's government, said that Dudayev was not involved.

[Begin Udugov recording] General [Aslan] Maskhadov gave the order to all armed formations to halt all acts of sabotage of a military nature in the Russian troops' rear. In response to Maskhadov's order, General [Vyacheslav] Tikhomirov [commander of joint group of federal forces in Chechnya] said that he would pay no attention to any orders from bandits. Those were his words. After Tikhomirov's statement, the commanders of certain sub-units of the Chechen armed forces and irregulars considered themselves to have been freed of General Maskhadov's order and able to operate independently at their own risk. [end recording]

Twenty-Nine Power Workers From Grozny Still Missing

LD1601193596 Moscow ITAR-TASS in English 1841 GMT 16 Jan 96

[By Igor Ivantsov and Olga Semyonova]

[FBIS Transcribed Text] MOSCOW, January 16 (ITAR-TASS) — Twenty-nine Russian specialists were abducted last night by masked armed men from the thermo-electric power station on the outskirts of Groznyy, a spokesman for the Russian Integral Energy System (EES Rossii) company told ITAR-TASS.

In an earlier report, a Federal Security Service spokesman said 30 employees of the station had been found absent. He cited the station's director as saying that the employees had been moved in the bus in an unknown direction.

The compound housing the team of the repair workers was guarded, but they were found missing from the morning shift.

According to the energy company's spokesman, the station's employees were forcibly moved from the compound at about 4:00 by a group of masked armed men, but he denied that any transport was used in the abduction.

The spokesman also denied that the personnel for some reasons could leave the compound on their own.

The Federal Security Service said the region around the station had been sealed off by security and police forces. The search, now in progress, has been unsuccessful so far.

The sources told ITAR-TASS that five of the 29 missing power workers were affiliated with the Rostovenergoremont company, Rostov, and 23 with Volgograd-based Hermes-Yug firm which had been formed earlier to be employed in the construction of the Rostov nuclear power plant. One employee belonged to the Groznyy station and most likely stayed in the compound for night's sleep after his shift.

The station is continuing to operate, as earlier, two of its four power units. If no serious malfunctions crop up, the station will be operated further.

If problems occur, however, experts do not rule out a halt with repair specialists now lacking.

In addition, the station is thought to face future difficulties.

Maskhadov Said To Know Whereabouts

LD1701145796 Moscow Radio Rossii Network in Russian 1400 GMT 17 Jan 96

[FBIS Translated Text] Chief of Dudayev's headquarters Aslan Maskhadov has said that he has information about the whereabouts of the 29 Russian power-engineers hijacked in Groznyy. Our correspondent reports that Maskhadov said the action was taken by a group of Chechen gunmen in connection with the events in Pervomayskoye. The aim of the action is to force the federal leadership to allow the terrorists into Chechnya from Pervomayskoye. Maskhadov said that he did not personally give the orders for the actions in Pervomayskoye or in the Turkish port of Trabzon. At the same time, he said that the most terrifying period of the war — as it extends beyond the territory of Chechnya — was now beginning.

Stavropol Energy Workers Threaten Chechen Blockade

LD1601205196 Moscow INTERFAX in English 1945 GMT 16 Jan 96

[FBIS Transcribed Text] Pyatygorsk, Jan 16 (INTERFAX) — Ivan Lazorenko, head of the Yugenergo company, in the Stavropol territory, has said that Stavropol energy industry workers are prepared to impose a complete energy blockade on Chechnya.

He told INTERFAX Tuesday that the measure may be used in retaliation for the seizure earlier today of the Groznyy power and heating plant by supporters of Dzhokhar Dudayev, the Chechen separatist leader.

The Chechen militants seized the plant's workers, with several energy industry workers from the Stavropol territory among them, including Gennadiy Shapovalov, head of the Nevinnomyssk district power plant, said Lazorenko.

"We believe that the Russian Government must take the harshest measures against the bandits and dissipate, at last, the atmosphere of terror which deprives of peaceful life the population not only of Chechnya but of the whole Russian south," he said.

According to Lazorenko, if the rebels refuse to free the hostages taken at the power plant, the decision to impose the blockade may be taken in two days.

'Anti-Russian Sentiments' Intensifying in Groznyy

MM1601170896 Moscow ROSSIYSKAYA GAZETA in Russian 17 Jan 96 p 8

[Report by Vladimir Mezentsev under the "Groznyy on the Line" rubric: "Architects of Fear"]

[FBIS Translated Text] Yesterday I was unable to contact Vyacheslav Tikhomirov, commander of the Federal Group, even by high-frequency radio.

"A military operation is in progress," Lieutenant Sergey Startsev, duty communications officer of the Field Command and Control Center, explained laconically.

"Don't hang up, Sergey!", I shouted to him. "Just say one word — how are things with you there in Groznyy?"

"Fine."

"What do you mean 'fine'?! Yesterday a bomb exploded, and an order was given to fire on vehicles in broad daylight — to kill Russians!"

But I could not get another word out of the lieutenant. Of course, it is not his job to give interviews.

Anti-Russian sentiments are intensifying in the city. And I think that they will increase with every passing hour, whipped up by the chauvinistic frenzy of Dudayev's supporters.

Last night two Russian families came under assault rifle fire in their apartments in different areas of Groznyy, but in each case from 5.45-caliber bullets. The first apartment was occupied by a 40-year-old woman, her 25-year old daughter, and two young women, her daughter's friends... The second by 50-year old Groznyy resident Bozhkov and his family. Three people were killed — the owner of the house, his wife, and his mother in law....

According to our counterintelligence officers, there are around 3,000 gunmen in Groznyy. From time to time they have been firing from around corners and lying in ambush; they have buried themselves in apartments given to them by residents. Raduyev's actions and the subsequent retaliatory actions have whipped up the activity of these lunatics. This morning they took hostage 30 night shift workers of Groznyy's No. 2 TETs [Heat and Electric Power Station] in the settlement of Kirova near the capital.

A spokesman for the Russian Federation Federal Security Service said that 26 of the hostages are employees of "Kavkazenergoremstroy" and the other four are staff of the TETs itself. The counterintelligence agency is currently clarifying the circumstances of this new crime.

The security of the hotel belonging to the Chechen executive authority's Territorial Administration, where journalists and builders live, is still a cause of concern. Only last month it was an inviting target for terrorists.

In Groznyy itself gunmen continue to prepare to attack Government House — Zavgayev's residence, the Ministry of Internal Affairs, the hospital, and the airports.... Hence the security crackdown undertaken by the federal forces is fully justified.

Commander Vyacheslav Tikhomirov spent the whole of last night in Khankala — a suburb of Groznyy. The headquarters of the Joint Group of Federal Troops is located there. Perhaps those nocturnal hours were among the most tense during the general's time in Chechnya.

It has been reported that patrolling has been stepped up in the city, extra guards have been sent to vitally important facilities, and there is a virtual ban on the movement of transport. The bridges across the river Sunzha have been blockaded.

Pervomayskoye Reports 'Bear Little Relation to Reality'

MM1601172596 Moscow IZVESTIYA in Russian 17 Jan 96 p 1

[Report by Aleksandr Kakotkin and Yuriy Snegirev: "The Protracted Assault Through the Eyes of the Wounded"]

[FBIS Translated Text] Groznyy — The triumphant reports broadcast on Russian television about the federal forces' successes in Pervomayskoye bear little relation to reality.

Your IZVESTIYA correspondents have been able to visit the military hospital set up at Severniy civil airport, where casualties suffered during the attempt to free the hostages are being brought. It is possible to reconstruct to some extent the picture of the assault on the village from their words.

Nine assault groups, basically comprising troops of the Internal Affairs Ministry, special rapid-reaction detachments, and Alfa and Vityaz, have taken part in the assault. The Army has mainly supplied fire and armored support. According to officers of the Stavropol and Krasnodar special rapid-reaction detachments, the assault was organized in a showy and confused way. For almost a week prior to it troops were freezing out in the open, often without hot food, while the guerrillas meanwhile were organizing defense in depth. Then, after a softening-up artillery barrage, which was more for effect than anything else (the artillery was forbidden to hit the houses, although this did not prevent fires breaking out), the troops went into the attack with armored support. Encountering heavy fire, they almost immediately hit the ground. And it was then discovered that the guerrillas had mortars, with which they pounded the soldiers lying low in open ground. Only toward the evening of 15 January, after several rocket attacks had been mounted by helicopters, was it possible for individual subunits to reach the outskirts of the village.

There could be no question of any serious breach of the defenses or penetration of the defenders' battle positions, according to the officers. Moreover, during the night, a large number of the subunits which had entered the village left the positions they had seized. Forces were regrouped and the wounded evacuated on the morning of 16 January. It seemed that everything would have to start again from scratch. Three infantry fighting vehicles had been put out of action by the guerrillas in the 9th assault group's section alone. There were also burnt-out armored personnel carriers, but little information on their crews.

As far as the wounded are concerned, according to hospital chief Vladimir Moskovkin, 30 wounded had gone through that hospital alone as of the morning of 16 January. Approximately as many again are expected day and night. There were three soldiers lying in the morgue.

While the federal authorities have been carrying out the operation in Pervomayskoye, Raduyev's and Basayev's "colleagues" were seizing hostages in Groznyy itself or, to be precise, in the settlement of Kirov, where the No. 2 TETs [heat and electric power station] is located. At 0400 hours on 16 January, a group of "persons unknown" seized eight of the power station's regular operatives plus 26 power workers on attachment from Sevkavenergo, who were helping restore the station's power system. The hostages have disappeared. According to the latest information — as of 1300 hours — available to us, they were taken by two buses in the direction of the settlement of Yermolovka, southwest of Groznyy. A Chechen special-purpose police detachment has been combing the settlement, but so far without result.

Rostov Cossacks Cited on Perovmayskoye Situation

MM1701104596 Moscow IZVESTIYA in Russian 17 Jan 96 p 2

[Report by Yuriy Bespalov under general heading: "On the Don and in the Kuban: Heightened Readiness for Possible Attacks by bandits"]

[FBIS Translated Text] Rostov Oblast — The proximity of Rostov-na-Donu to the site of the events in Dagestan can be judged by the fact that on the first day the hostages were seized in Kizlyar the city's central street, Bolshaya Sadovaya, was filled with special troops in full combat gear with assault rifles and grenade throwers. They rushed to stock up on cigarettes and other necessities for their dangerous trip — lines of buses were already waiting for them outside the oblast internal affairs administration building.

In subsequent days too the "gates of the North Caucasus," as Rostov is usually called, looked far less hospitable than before. At the State Traffic Inspectorate posts and the bridges armored transport vehicles were set up and reinforced details took up posts outside hospitals, maternity homes, and strategically important establishments like the floodgates of the Tsimlyansk reservoir and the Rostov nuclear power station.

Trucks are being checked particularly carefully at these posts. Cossack patrols are also taking part in the checks. The position of the Cossacks, known for their fervor and resolve, is perhaps the main thing worrying the Rostov Oblast inhabitants in connection with the latest act of terrorism by Dudayev's supporters.

According to Ataman Yevgeniy Tkachev of the Veselovka section, the police and special services workers have recently been gathering information on the mood among the Cossacks particularly carefully. Tkachev himself, who recently held a council of farm atamans, confirms that the Don Cossacks have no intention of setting off on a campaign against the Chechens. "We have opposed this vile war from the outset and we shall not allow the Cossacks to be drawn into it," the ataman said. "It would generate a real eruption in the North Caucasus and would only play into Dudayev's hands."

That is the position of the ordinary Cossacks living in the Don villages and farmsteads. But the feelings of the leading atamans speaking in their name but gradually losing their trust are far more bellicose. Viktor Ratiyev, supreme ataman of the union of Cossack troops of Russia and abroad, hastened to state that "not a single terrorist will leave the territory of the Don host alive" and mentioned some package of proposals to the president regarding the impermissibility of the spread of terrorism in the country. I do not think that anyone has taken this saber-rattling seriously — on the Don they still remember how not long before the start of the fighting in Chechnya Messrs atamans signed a peace and mutual aid treaty with Dudayev which of course gave Dudayev additional confidence in his strength.

It is clear to the majority of Rostov people with whom I have spoken in the past few days that terrorism must be fought not by sharpening their swords or flaunting tanks and armored transport vehicles but by putting as speedy an end as possible to the war which has become a source of constant shame for Russia.

Krasnodar Kray Responds to Pervomayskoye Events

MM1701111596 Moscow IZVESTIYA in Russian 17 Jan 96 p 2

[Report by Andrey Aderekhin under general heading: "On the Don and in the Kuban: Heightened Readiness for Possible Attacks by Bandits"]

[FBIS Translated Text] Krasnodar Kray — In the past few days in Krasnodar several explosions have resounded one after another. In the "Vityaz" cafe one customer threw a grenade and six people were injured. On Christmas Eve two grenades were even thrown into the duty section of the No. 1 police precinct in the Komsomolskiy residential region — four policemen were wounded and two are now in a serious state. On 13 January a jeep was blown up outside the entrance to the Kuban physical culture academy light athletics arena where the Russian Greco-Roman wrestling championship was in progress — the driver was injured and the academy building was seriously damaged. On the same day an apartment in the Yubileynyy residential region was fired on from a grenade thrower.

The leaders of the law enforcement organs assert that all these incidents have no connection with the events in Dagestan and Chechnya. Krasnodar Internal Affairs Administration Chief T. Dzhidzhikhiya has stated that the police is taking every step to ensure that the city is calm. The aggravation of the situation in the North Caucasus was the reason for putting all vitally important establishments in Krasnodar under special guard and hospitals, stations, and the airport are under reinforced guard. Patrols have been set up on the bank of the Kuban river. Special attention is being paid to the section of the border with Karachayevo-Cherkessia, Stavropol Kray, and Abkhazia. Apart from the police many other forces have been brought in to ensure safety — subunits of the internal troops division, the Federal Security Service, civil defense formations, customs officials, Cossacks, and even members of the hunters' society who possess rifles.

Special militia and a team of special subunits of the kray internal affairs administration executive systems and a special rapid response detachment from the regional administration for organized crime have been sent from the Kuban to Dagestan itself. Some Kuban policemen have been put into operation in Chechnya itself and also in Dagestan's Khasavyurtovskiy rayon.

"Since some army and internal affairs forces have been diverted to the scene of the events, we are as it were replacing them here," your IZVESTIYA correspondent was told by Subcornet V. Leutskiy, duty officer for the all-Kuban Cossack host staff. "Our Cossacks are now guarding order on the streets of the kray's cities, villages, and farmsteads."

And although there are a great many volunteers no Cossack detachment has been dispatched from the Kuban to the place where the hostages were taken. "Only a few could go on their own initiative, at their personal discretion," the staff duty officer says.

'Special Regime' Introduced Throughout Dagestan

LD1701094396 Moscow ITAR-TASS World Service in Russian 0731 GMT 17 Jan 96

[By ITAR-TASS correspondent Gadzhiy Shamov]

[FBIS Translated Excerpt] Makhachkala, 17 Jan (ITAR-TASS) — In connection with the events in Kizlyar and Pervomayskoye a "special regime" has been introduced in all Dagestani towns, ITAR-TASS learned today at Dagestan's Interior Ministry. In accordance with the regime, all leave for the personnel of the Interior Ministry and of the internal troops have been cancelled, the protection of vital facilities, enterprises, and institutions has been stepped up, and a special passport regime has been introduced. The movement of traffic, the entry to towns and the exit from them are restricted, and rallies and gatherings of people are banned. [passage omitted: no incidents have taken place during the past night]

ITAR-TASS has learned from Gadzhimagomed Gadzhimagomedov, the head of Makhachkala's Main Interior Ministry Directorate, that the capital of Dagestan "is ready to repulse any attacks by the militants." He said that the Interior Ministry personnel and the internal troops "have all necessary forces and means at their disposal" to do this. [passage omitted: various republican officials receive numerous telegrams of sympathy from residents of North Caucasus in connection with the Pervomayskoye crisis]

Anti-Russian Feelings Swell in Dagestan

MM1601192996 Moscow IZVESTIYA in Russian 17 Jan 96 pp 1, 2

[Report by Nikolay Gritchin (Makhachkala): "Anti-Russian Slogans Grow Louder in Dagestan"]

[FBIS Translated Text] Stavropol — Dagestan, which is currently awash with rallies, has in recent days graphically illustrated how swiftly moods can change. In a few hours, shortly after the gunmen blockaded themselves in Pervomayskoye with their hostages, the soapbox orators' anti-Chechen and anti-Dudayev slogans were gradually replaced by anti-Moscow and anti-Russian slogans: "We are afraid of our own Army!," people have been shouting in the squares of Kizlyar. "Moscow is a liar and a deceiver"; "Moscow Is Playing Its Own Game," "Troops out of Dagestan!" With the beginning of the assault, the anti-Russian tide swelled.

Evidently, this is exactly what Dudayev's strategists were expecting when planning their apparently absurd raid on Kizlyar in Dagestan. Now that the military operation has been carried out in Pervomayskoye, Salman Raduyev's shameful mission has begun to take on new features. Political commentators in Dagestan are now saying that Dudayev has achieved far more through the suicide mission of his relative than the rebellious general has achieved through his own efforts: He has managed to provoke antipathy to Moscow in the republic. Before this, all Dudayev's attempts to operate in this direction have had the opposite effect.

In an interview with IZVESTIYA, given a few hours after the assault on Pervomayskoye began, M. Gusayev, Dagestani minister for nationalities affairs, expressed the republic leadership's fundamental position: A major military operation should not have been carried out. War should be waged with gunmen when they invade the republic and its cities, he said; not when they have a huge number of civilians in their hands. In such a situation the war with them ends in large casualties.

"There is virtually no one in Dagestan who does not understand the vileness of the guerrilla bandits' action," the minister stressed. "But at the same time we were very loathe to see blood spilt on our soil again, after Kizlyar."

The minister expressed regret that the powers to free the hostages delegated to the Dagestani leadership by the Russian president were terminated by the helicopter raid on the outskirts of Pervomayskoye.

The reaction of Dagestan's nearest neighbors in the Caucasus to the events in Pervomayskoye is anxious, but highly restrained. There are no protesting crowds or noisy assemblies in Cherkessk, Nalchik, or Vladikavkaz. The leaders of the federation components of the Caucasus region have limited themselves to a joint statement on the tougher measures that have been introduced to protect the population from bandit raids. The Terek Cossacks have also had their say, demanding at a grand assembly in Kizlyar last Saturday [13 January] weapons and the resignation of the president and the government.

The greatest panic currently reigns in Stavropol Kray's rayons which border on Chechnya and Dagestan. Here the majority of markets are closed and guards have been organized around the hospitals. Unprecedented measures are being taken to close off a 110-km section of the Stavropol-Chechen border: Mobile detachments, which course over the steppes, have been dispatched to assist the fixed checkpoints. An operations staff is working around the clock in the kray internal affairs administration, and alert-duty unit officers contact their colleagues in Makhachkala, Vladikavkaz, and Cherkessk every half-hour in order to coordinate their operations in the event of an invasion by bandits. However, the tense situation did not prevent the 15 January celebrations to mark the inauguration, attended by Moscow Mayor Yu. Luzhkov, of the Budennovsk hospital which has been rebuilt by the capital's builders.

It has been noticed that the further you go from scene of the clash with the terrorists, the more intransigent are attitudes to the bandits. In Stavropol today there are far more supporters of the use of strong-arm tactics to free the hostages than seven months ago, when many relatives and friends of the people of Stavropol were languishing in the hellhole of the besieged Budennovsk hospital. But the Terek Cossacks' preference for force, it would appear, is based on principle. After the volley fire against Pervomayskoye, they are ready to withdraw their demands for the president's resignation.

"The Cossacks fully support the fact that the government and the president have taken decisive measures and launched an assault," Yu. Churekov, hetman of the Pyatigorsk District Terek Host, told IZVESTIYA. "The only thing we regret is that we were not given the opportunity of taking up arms and taking part in the assault."

What will be the impact of the operation in Pervomayskoye on relations between Makhachkala and Moscow? I put this question to M. Gusayev, minister of nationalities affairs of the Republic of Dagestan.

"On the fundamental level — the fact that the Republic of Dagestan is a part of Russia — it will have no impact," he replied. "But it will probably make itself felt in a change of tone, in a realization that people do not always act honorably with Dagestan."

Volskiy Cited on Chechnya Situation

MM1701160096 Moscow RABOCHAYA TRIBUNA in Russian 17 Jan 96 p 1

[Report by Vladimir Mikhalchenko: "Special Troops Doing Their Job, Politicians Doing Theirs"]

[FBIS Translated Text] Arkadiy Volskiy, president of the Russian Union of Industrialists and Entrepreneurs and deputy leader of the government delegation at the talks on Chechnya held in Groznyy last summer, believes that behind the acts of provocation by the Chechen gunmen in Budennovsk and Kizlyar there are specific forces in Checnya and Moscow who stand to gain from the escalation of the crisis.

A. Volskiy has stated, having in mind Dudayev's gang, that a dying animal is dangerous and there are grounds for thinking of subsequent acts of terrorism since literally after the gunmen's withdrawal from Kizlyar Dudayev promised that such actions would be continued.

On the other hand A. Volskiy cited a statement by the Chechen Government press secretary which states in particular that information that Dudayev's gunmen were preparing to seize Kizlyar had come in earlier and the relevant Russian organs of power were well aware of it... So in Russia too it is to someone's advantage to keep the situation in the North Caucasus quite tense so that the Chechen card can be played for their own ends at any time. And it is not a case of military-strategic goals but of political interests....

"The Russian people are great because they have never been executioners," A. Volskiy stressed, resolutely sweeping aside the thesis put forward by some politicians, in particular Zhirinovskiy, that it is necessary to deal with the Chechens according to the formula of "an eye for an eye, a death for a death." And although A. Volskiy expressed himself very clearly in favor of the need to struggle resolutely against terrorism, nonetheless he gives priority to the negotiations process, stressing at the same time that talks never have been and never will be conducted only with Dudayev's supporters. From start to finish four sides were present at the conference table — the Russian Government delegation, the Organization for Security and Cooperation in Europe delegation, the Chechen Republic government and national accord committee delegation, and Dudayev's delegation."

Arkadiy Volskiy stressed particularly that he is in solidarity with the position of Boris Yeltsin and Viktor Chernomyrdin regarding the need to resolve the Chechen problem by political means.

Economic Issues

Economics Ministry Issues Export, Import Forecasts

MM1701100496 Moscow ROSSIYSKAYA GAZETA in Russian 13 Jan 96 p 15

[Unattributed report: "Both Exports and Imports Will Grow"]

[FBIS Translated Text] Russia's foreign trade turnover with countries in the far abroad will total $102-105 billion in 1996 — 5-8 percent higher than the expected result for 1995.

These data were cited at the Russian Federation Ministry of Economics. The generally favorable foreign trade situation is expected to be occasioned by livelier business activity on world commodity markets and higher prices for many Russian export commodities, particularly oil, petroleum products, gas, ferrous metals, and lumber.

At the same time the growth rate of Russian exports will slow up somewhat. The extensive factors in their development have been exhausted. According to preliminary assessments, the proportion of fuel, raw materials, and consumer goods in the total volume of Russian exports will stand at approximately 89 percent.

The total volume of imports of commodities and services in 1996 is estimated at approximately $38-40 billion — 10-15 percent more than last year's level. According to forecasts, the proportion of machinery and equipment in the imports will increase by 44-45 percent — to $16.8-17.9 billion. This attests that the process of growth in investment activity has begun, specialists believe.

Economic Outturn for 1995 Conforms To Expectations

MM1701093396 Moscow ROSSIYSKAYA GAZETA in Russian 13 Jan 96 p 15

[RBK report: "Investments Are the Main Problem"]

[FBIS Translated Text] The preliminary economic results for 1995 conform to the government's expectations.

This was stated by Economics Minister Yevgeniy Yasin. In December 1995 the level of inflation stood at 3.2 percent — the lowest indicator since January 1992. The chief emphasis will continue to be placed on the fight against inflationary expectations. The rate of decline in production has diminished — 3.3 percent compared with 1994 — and the decline in GDP stood at 4 percent. A program to support Russian exporters will be made public at the beginning of 1996. The most negative indicator in 1995 is the fall in the population's living standard by 8 percent, but this mainly occurred during the first two months of 1995, Ye. Yasin pointed out. In 1996 the government plans to activate social policy in the sphere of the payment of pensions and wages. The worst situation in the economy has taken shape in respect of investments: The 1995 investment program was funded only to the tune of 50 percent, Yasin emphasized.

Panskov on 1995 Budget Execution, Tasks in 1996

MK1701092096 Moscow SEGODNYA in Russian 16 Jan 96 p 3

[Report by Elmar Murtazayev: "Vladimir Panskov Counts on Cooperation with the Duma in Working on the Tax Code. Last Year's Results Are Not Unequivocal for the Finance Minister"]

[FBIS Translated Text] Russian Federation Finance Minister Vladimir Panskov regards last year's results as equivocal and contradictory. In an interview with SEGODNYA, he said that in spite of the heavy burden of outstanding problems, clear-cut signs of economic recovery have emerged in the Russian economy.

Among such the finance minister cited above all a sharp fall in the monthly inflation rate — from 18 percent in January to 3 percent in December. According to the minister, such results "inspiring optimism" were achieved primarily by stopping government crediting with Central Bank funds. Another important sign of financial stabilization, according to Mr. Panskov, was the strengthening of the ruble and the increased trust in the national currency. A working state securities market has been formed, where the Finance Ministry is considered to be an "authoritative and reliable partner." According to the minister, last year the federal budget was "not badly" executed: An additional 6 billion rubles' worth of expenditures were financed resulting from a 1.5 times increase in salaries to employees in the budget-subsidized sector — true, "partially to the detriment of other sectors." The minister especially stressed that last year, for the first time during the reform period, the budget was approved in time. He also pointed to a substantial growth in the level of professionalism of State Duma deputies, which "to a large extent was conducive to productive work on the budget."

Still, according to Mr. Panskov, very often, especially during the parliamentary election campaign, the Duma was swayed by a populist mood. For instance, the decision to increase the salaries of workers in the budget-supported sphere led to an increase in expenditures by the federal budget and the budgets of the federation components, and that also resulted in wage arrears. While at the federal level the government managed to raise the requisite funds, many Russian regions were rather short of these. "Regional representatives are still coming to the Finance Ministry asking to make available funds to extinguish debts to employees in budget-maintained sectors," the minister complained. Mr. Panskov also has some complaints to make about the changes introduced by the deputies into the tax system. For this reason, the minister called for the "authorship" of various bills to be identified more clearly because quite often the Finance Ministry is held responsible for decisions made by the State Duma.

Mr. Panskov regards the nonfulfillment of the investment program, which was used to finance additional budget expenditures, as a failure. The minister "in principle understands that without investment stable economic development is impossible, but so far financial realities prevent the funding of heavy state capital investment." Another outstanding problem, according to the finance minister, is the tax reform, the launching of which, "in spite of Finance Ministry efforts," has been postponed to 1996.

The minister sees gradual reform of the Russian tax system as the Finance Ministry's main task for this year. In this respect, Mr. Panskov especially counts on cooperation with the State Duma because without adopting the second part of the Tax Code "work is virtually impossible." Speaking about the government currency policy, the minister said that "it would be a mistake to make any sharp movements here." The minister believes that limits on the fluctuation of the ruble exchange rate ensure predictability and continuity of the government's financial policy. Therefore the currency band should be kept until the end of the year, gradually changing its limits. Moreover, the minister thinks that in the end the band should lead to a fixed ruble rate.

Responding to the SEGODNYA correspondent's question about the reasons for extending the 30-percent wage-fund reservation requirement, which led to a substantial shortfall in the state budget, Mr. Panskov said that a sharp revision in the current procedure will result in more frequent wage delays because today many enterprises have debts to the state budget and all their funds will be directed to repay them. Therefore, the reservation practice needs to be abolished gradually so that the enterprises should adapt to new conditions. Nonetheless, the minister promised that by April the wage fund reservation requirement "will be definitely abolished."

Economic Development for 1996 Previewed

MM1701095296 Moscow ROSSIYSKAYA GAZETA in Russian 13 Jan 96 pp 9, 11

[Report by Vadim Soskov: "Year Consisting of 300 'Ifs....'"]

[FBIS Translated Text] Sergey Pavlenko, leader of the Russian Federation Government working center for economic reforms, comments on Russia's economic development in the New Year.

The development of events in 1996 is quite difficult to predict, Sergey Yuryevich replies. Last December, as you know, the inflation level was 3.2 percent. December was a record month for low growth rates for the entire four years of economic reforms since January 1992. Thus it is clear even to opponents of the government course that the country has entered a period of real macroeconomic stabilization. And that means that the country's economy is approaching economic stability. Under these conditions structural (nonmonetary) factors specific to each country come to the fore. Ultimately it is these factors which will influence the inflation level now. But unless for any reason we abandon the stabilization program the inflation level will fluctuate between 20 percent at best and 30 percent at worst.

It is hard to predict the influence of foreign economic factors. The situation on world markets with regard to the main items of the products list of Russian exports — primarily prices for output of Russian nonferrous metallurgy — remains unclear. Moreover the European Union may, unfortunately, review in the direction of its deterioration the procedure for the access of Russian energy carriers to the European markets which could influence the export potential of the fuel and energy complex. Since the potential for the further liberalization of exports and the reduction of export tariffs is being exhausted external conditions (not subject to national control) are acquiring increasing importance. In this connection it is natural to ask: How will the possible deterioration of the dynamic of exports affect the state of the balance of trade? If the growth of imports after the fall stagnation which we have seen resumes we will manage to avoid massive pressure on the currency exchange rate and the connected increase in the ruble mass. It is true that it is encouraging that in previous years of the reforms the growth of the population's incomes (and correspondingly of its purchasing power) has led to the accelerated growth of imports. And the Russians' purchasing power in January through February should increase to approximately the November 1994 level.

It is hard also to predict the situation on the short-term state bond market. After all, throughout the first two quarters of the new year short-term state bonds will be critically important instruments for covering the budget deficit. Expenditure on unfulfilled commitments for the 1995 budget (arrears in paying wages, playing for the defense order, and so forth) should come in the first quarter. This will make it more possible to create a "budget reserve" for the second quarter when the seasonal decline in tax revenue traditionally causes problems in balancing the budget. In that case if the situation on the short-term state bonds market deteriorates the rise in the profitability norm will give rise to problems in covering spring issues, which would be extinguished by the end of the summer.

These are the purely economic factors, so to speak. The political situation which is taking shape on the basis of the results of the parliamentary elections and especially on the threshold of the presidential elections is an additional pressure on the country's economy. And its influence is diverse.

Among the most unpleasant prospects we can include the increase in the speed of money circulation connected with the emergence of inflation expectations among the market agents. If you consider that the seasonal growth of inflation indicators in January could give the markets an additional pro-inflation signal then control over macroeconomic indicators will require special efforts on the part of the Central Bank and the Ministry of Finances.

The expected growth of demand for currency, traditionally connected with the growth of inflation expectations, could ease supply pressure on the currency exchange rate. But given the relatively favorable development of political events (primarily the confirmation of the stability of the government's economic course), the "seasonal mini-dollarization" will in part even be useful, giving rise to a deficit in ruble resources. It is true that this dollar capital will most likely be exported in part and in part "put into a sock under the bed" — that is removed from the process of investment. In general throughout the first half of 1996 it is hardly possible to expect a substantial increase in foreign or domestic investments.

Thus the opportunities for the economy to "overheat" are very, very limited. Nonetheless favorable tendencies in the sphere of production manifested in the second half of 1995 obviously have great enough inertia. So on condition that the current regulation is maintained we can expect an increase in the volumes of industrial production within the limits of 1.5 percent a year.

But in any case 1996 will be a year of 365 "ifs." And specific indicators of the speed of the inevitable economic growth will be determined by the government's ability to respond appropriately to each of the problems which arises without losing overall stabilization guidelines here.

State Foods Reserves 'Unsatisfactory,' Underfunded

MM1701095896 Moscow SELSKAYA ZHIZN in Russian 16 Jan 96 p 1

[Unattributed report under the rubric "In Russia": "Alarming Figures"]

[FBIS Translated Text] The volume of purchases and supplies to federal stocks established by the Russian Federation Government have been fulfilled to the following extent: meat — 28 percent, milk — 39 percent, sugar — 10 percent, and vegetable oil — 28 percent. Nikolay Starodubtsev, chief of the Russian Federation Ministry of Agriculture and Foodstuffs Administration for Supplies Bearing the State Seal of Quality, has announced this.

The unsatisfactory situation as regards the formation of state agricultural output resources can be attributed, in Nikolay Starodubtsev's opinion, to Russian commodity producers' lack of money, as well as the difficulty of funding supplies. The federal food corporation received virtually no funds for state purchases in 1995.

International Affairs

Udovenko Satisfied by Meeting With Primakov

LD1601211996 Moscow INTERFAX in English 1946 GMT 16 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 16 (Interfax - Ukraine) — Ukrainian Foreign Minister Hennadiy Udovenko has expressed satisfaction with the results of his meeting with Russian Foreign Minister Yevgeniy Primakov.

He told journalists after the meeting in Moscow that Primakov understands the importance of relations between Ukraine and Russia and is showing readiness to cooperate.

"It seems to me that, unlike his predecessor, he wants to develop more active relations with the CIS, to which he attaches more importance," said Udovenko.

He said that during today's meeting they discussed a broad range of bilateral issues, including those relating to the Black Sea fleet, delimitation and demarcation of the border and relations with CIS countries.

Udovenko said that he and Primakov also discussed regional security and resolution of conflicts, including the settlement in Bosnia.

According to Udovenko, he invited Primakov to visit Ukraine and the invitation was accepted with gratitude.

Kuchma, Yeltsin Discuss Trade, Nuclear Security

LD1601215396 Moscow INTERFAX in English 1946 GMT 16 Jan 96

[FBIS Transcribed Text] Moscow, Jan 16 (Interfax-Ukraine) — Ukrainian President Leonid Kuchma stressed the need for lifting all restrictions on bilateral trade at his meeting with his Russian counterpart, Boris Yeltsin, in Moscow Tuesday.

The summit focused on such issues as dual citizenship and broadcasting of Russian television in Ukraine, Ukrainian National Security Council Chairman Vladimir Gorbulin told journalists later on.

"The Ukrainian president assured that there had not been a single case where any person residing in Ukraine was not allowed to obtain Russian citizenship," Gorbulin said. A special company has been created to relay Russian programs in Ukraine, he added.

According to Gorbulin, the summit also discussed the upcoming conference on nuclear security between the Group of Seven countries and Russia. The Ukrainian president is likely to be invited to the second day of the conference to make a speech. The conference will touch on the elimination of the after-effects of the Chernobyl disaster, nuclear security and strategic disarmament.

At the end of the summit, Kuchma met with Russian Prime Minister Viktor Chernomyrdin. The meeting began in the Kremlin and was later continued in the government building.

Prior to this, Russia unilaterally discarded about 200 articles from the treaty on free trade with Ukraine.

Reportedly Agree To Fire Fleet Commander

WS1701093096 Kiev INTELNEWS in English 0800 GMT 17 Jan 96

[By Halya Pavliva, Elyeonora Yakovleva and Oleksandr Pukhov, "Special to INTELNEWS"]

[FBIS Transcribed Text] Moscow, Jan. 16 — Ukrainian President Leonid Kuchma and Russian President Boris Yeltsin, meeting in Moscow Tuesday afternoon, decided to fire Black Sea Fleet commander Adm. Eduard Baltin. Ukrainian National Security Council Chairman Volodymyr Horbulin, addressing Ukrainian television following the meeting, which was held to mend fences between the two former Soviet partners prior to Friday's Commonwealth of Independent States Summit in Moscow, said the parley "turned out to be the most successful among the recent meetings of both presidents." According to Horbulin, "the two presidents have reached consensus about Baltin. He will be asked to find another job."

The dismissal comes about a month after Baltin, an ardent Russian nationalist, campaigned unsuccessfully for a seat in the Russian Duma, in the process making well-placed enemies in both Ukraine and Russia. The BSF is nominally under the joint command of both the Ukrainian and Russian presidents.

The two presidents also agreed to set up a consultative committee headed by prime ministers Yevhen Marchuk and Viktor Chernomyrdin to meet at least two or three times a year and iron out problems, according to Kuchma press secretary Dmytro Markov.

According to Dmitriy Ryurikov, Yeltsin's staff assistant for international affairs, "simultaneously with the meeting of the two countries' presidents there were talks between Russian and Ukrainian Foreign Ministers Yevgeniy Primakov and Hennadiy Udovenko, as well as between Defense Ministers Pavel Grachev and Valeriy Shmarov." After meeting with Yeltsin, Kuchma was scheduled to meet Chernomyrdin before returning to Kyiv later that day.

While Yeltsin, reportedly preoccupied with the Chechen hostage crisis, declined the opportunity to meet with the press following the meeting, Kuchma met with reporters and called for continued progress toward the signing of a friendship and cooperation treaty between Ukraine and Russia.

"To sign an agreement like that we should have good will, which we, unfortunately, lack both in Moscow and in Kiev," he said. Commenting on the BSF situation, Kuchma called for the elimination of the joint command concept, saying that "it's time to finish with indeterminacy and face the fact that this is a Russian Fleet based on Ukrainian territory."

The Russian presidential press service issued a statement saying that president "is satisfied with the working meeting."

In another sign of progress toward a comprehensive agreement between Ukraine and Russia, Ukrainian Foreign Ministry spokesman Yuriy Serheyev told journalists at a Tuesday briefing that he refused to rule out revisions in the text of a draft friendship and cooperation treaty initialed by then-First Deputy Prime Minister Yevhen Marchuk last February in Moscow. Earlier, the ministry had issued categorical denials of the possibilities that any amendments could be made.

Official on 'Smooth' Transfer of BSF Facilities

WS1701094296 Kiev UKRINFORM in English
0820 GMT 17 Jan 96

[From the "Current Events" feature]

[FBIS Transcribed Text] According to reports by UKRINFORM's defense correspondent, Ukrainian Deputy Defense Minister Ivan Bizhan has said that the transfer of some of the Black Sea Navy Fleet's facilities to Ukraine is going on smoothly, despite the fact that Ukraine and Russia have yet to sign a package of agreements on the Black Sea Navy Fleet. Mr. Bizhan made the disclosure while addressing a press briefing at the Ukrainian Defense Ministry on January 15. He said that the transfer of the facilities is being implemented in accordance with a schedule signed by Ukrainian and Russian defense ministers in Sochi. As Mr. Bizhan disclosed at the press briefing, Ukraine had received 61 out of 130 facilities as of late 1995. The other facilities are being prepared for transfer to Ukrainian and since the initial period of transfer was unrealistic, it may be extended by agreement with the Russian side. Mr. Bizhan, however, said that there are some difficulties. He told journalists that Ukraine's position is that the number of facilities to be transferred should based on the situation as of August 3, 1992 when the fleet was still jointly-owned. He added that the current transfer is based on the number of facilities available as of today. Mr. Bizhan also disclosed that the Ukrainian side is doing its best to ensure that the facilities being transferred to it are in good condition.

Peacekeepers To Join UN Operation in E. Slavonia

LD1601175996 Moscow INTERFAX in English
1631 GMT 16 Jan 96

[FBIS Transcribed Text] KIEV, Jan 16 (Interfax - Ukraine) — Ukraine will participate in a U.N. operation in Eastern Slavonia, head of the Foreign Ministry Information Department Yuriy Sergeyev reported at a briefing in Kiev Tuesday.

The peacekeeping forces under the U.N. flag will be staying in this region of Croatia for a year, he said. They will assist in fulfilling the basic agreement concluded between Croatia's government and local Serbian authorities in November 1995 in Dayton (the United States).

Ukrainian military and civilian experts are invited to participate in this U.N. operation, code-named UNTAES (the U.N. transition Administration in Eastern Slavonia).

At present, Sergeyev said, Ukraine's Defense Ministry and the Foreign Ministry are considering the issue of allocating a tank battalion to UNTAES.

"The U.N. secretariat addressed Ukraine's government with a request to make a contribution to the military and civilian components of the new operation," Sergeyev said. The U.N. secretariat "marked the high authority of the Ukrainian peacekeepers."

The Security Council compiled the mandate of the civilian component of the operation. Among its tasks are assistance in the return of refugees, organizing and holding elections, and rendering assistance in the development and restoration of the region's economy.

According to Sergeyev, on January 13 Ukrainian Ambassador to Benelux countries Boris Tarasyuk officially confirmed the consent of the Ukrainian government to participation of the 240th independent special battalion of Ukraine's armed forces in the operations of the multinational forces on the territory of Bosnia and Herzegovina near Sarajevo.

Kiev Agrees To Send Peacekeepers to Angola

LD1601215496 Kiev UNIAN in Ukrainian
1840 GMT 16 Jan 96

[FBIS Translated Text] Kiev — The Ukrainian Supreme Council today approved a resolution in support of a government proposal to extend the participation of the Ukrainian Armed Forces in UN peacekeeping missions, and to send 200 servicemen from the engineer bridge-building subunit to Angola (208 votes in favor and 47 against out of a total of 342 deputies). The Cabinet of Ministers was charged with providing the Ukrainian contingent in Angola with all the necessary funds, taking into account that the expenses will be reimbursed by the United Nations.

It was proposed that the government should also envisage channeling hard currency that Ukraine receives from the UN Secretariat for Ukrainian peacekeeping missions into the construction of apartments for servicemen.

Volodymyr Khandohiy, Ukraine's deputy foreign minister, said at the session that in terms of the size of the Ukrainian contingent, Ukraine currently ranks 25th out of 84 countries whose representatives are taking part in UN peacekeeping missions. In the last three years in excess of 7,000 Ukrainians have taken part in UN peacekeeping operations.

Volodymyr Mukhin, the chairman of the Supreme Council Commission for Issues of Defense and State Security, said it was inexpedient to adopt any decision on enlarging the Ukrainian UN and OSCE peacekeeping contingents to a maximum of 3,000 men.

The decision to form a UN mission in Angola was adopted by the UN Secretariat on 8 February 1995. In was proposed in September that Ukraine should join it. At present about 30 countries are represented in Angola. They are monitoring the process of national reconciliation, the cease-fire, and disarmament. Volodymyr Khandohiy said that the situation in most of the country was peaceful.

Consignment of Mi-17 Helicopters Arrives in Sri Lanka

LD1701105996 Moscow ITAR-TASS in English 0938 GMT 17 Jan 96

[By Yuriy Kozmin]

[FBIS Transcribed Text] NEW DELHI, January 17 (Itar-Tass) — A consignment of Mi-17 military transport helicopters has arrived in the Sri Lankan capital Colombo, a source in the Sri Lankan defence ministry, who wants to remain unidentified, told Itar-Tass today.

According to the source, these choppers were bought from Ukraine to meet the Sri Lankan air force's requirements, which is experiencing an acute shortage of such means of transport for transporting regular units of the army and security forces, as well as delivering ammunition, arms and provisions to remote northern areas of the country, where government troops are carrying out an operation against armed groups of the "Liberation Tigers of Tamil Eelam" (LTTE). At the same time, no official confirmation of the delivery was received from the Sri Lankan defence ministry.

The defence ministry source said that first three rotary-wing flying machines have been deployed at the Colombo airport. Later they will be flown to one of the Sri Lankan air force base on the Jaffna peninsula.

The Sri Lankan defence ministry has already concluded contracts with the Ukrainian side for deliveries of military equipment for its air force's requirements. In particular, three An-32 military transport planes had been delivered to Sri Lanka by Ukraine in July, 1995.

Arming the nation's air force with modern equipment is one of the foremost tasks, aimed at raising defence capabilities of the Sri Lankan armed forces, the source explained. He said that at the beginning of the New year Sri Lanka had also bought Israeli made combat aircraft.

According to the source, these aircraft will significantly raise the Sri Lankan air force's fire power by lending air support to government troops, which are fighting against LTTE detachments.

The defence ministry source explained that following the renewal of intensive attacks on the LTTE, the military command had also sent military experts to China, Great Britain and the United States for discussing purchases of arms from them.

National Affairs

Finance, Equipment Ready To Destroy Strategic Arms

MM1601151296 Moscow KRASNAYA ZVEZDA in Russian 12 Jan 96 p 3

[Report by Aleksandr Pelts: "Ukraine Rids Itself of Its Nuclear Legacy With the Help of New Technology"]

[FBIS Translated Text] When the defense ministers of Russia, the United States, and Ukraine reached out for the keys to blow up an ICBM launch silo 5 January this year, those present at the event were rooted to the spot: Now there will be a tremendous rumble, they said. But at first only a small white cloud rose above the launcher, and then the echo of a slight clap reached them. Later the specialists who had prepared the explosion explained that the launcher had not, in fact, been blown up. Only its upper part, from which everything of value had been removed in advance, was destroyed.

It must be pointed out that this means of destroying the launcher was a kind of technological victory for Ukrainian specialists in the heated dispute with U.S. and German "liquidators." They managed to take literally everything into account, from the "economicalness" of destruction to the ecological nuances.

In order to gain a more realistic idea of the scale of the process of nuclear disarmament in Ukraine, it is sufficient to recall that by the beginning of 1994 1,300 warheads for ICBM's, over 600 warheads for air-launched cruise missiles, and also 176 ICBM launchers remained on its territory. This was, in fact, the third-most powerful nuclear arsenal in the world.

The process of its destruction has started in two main areas: the removal of nuclear warheads and the destruction of launchers. In 1995 Ukraine deactivated 90 percent of "its" missiles and took 80 RS-18 missiles off alert status. The removed nuclear warheads were taken off to Russia, and Ukraine is now getting fuel for its nuclear electric power stations in exchange under an accord reached earlier.

It is planned to start the full-scale elimination of launch silos and ICBM's after all the preparatory work has been completed. Several destruction technologies have been elaborated and will be used. In particular, a joint Ukrainian-German destruction program using hydro-abrasive cutting has already been drawn up.

The financial aspect of the matter is also interesting. Last year alone the contracts and grants concluded with the United States totaled over $46 million. The Ukrainian Defense Ministry Press Service points out that a further $43 million has been spent on buying technical devices for elimination work.

As a whole, Ukraine is reckoning on getting over $234 million in compensation with the European Union's help in connection with the costs it is incurring in the process of the complete destruction of its nuclear arsenal. This process, it is proposed, is to be completed before 1998 in accordance with the accords reached.

Moroz on Plans for Supreme Council Fifth Session

WS1701094596 Kiev UKRINFORM in English 0820 GMT 17 Jan 96

[From the "Current Events" feature]

[FBIS Transcribed Text] As reported by UKRINFORM's parliamentary correspondent, Ukrainian Supreme Council Chairman Oleksandr Moroz has said that the fifth session of the Ukrainian parliament which is due to convene on January 16 will be very important. Mr. Moroz made the statement while addressing journalists at a press conference in Kiev on January 15. Mr. Moroz said that even though the fifth session of the Ukrainian Supreme Council was not preceded by a joint meeting of the Ukrainian Supreme Council Presidium and the meeting of the Ukrainian Cabinet of Ministers, as was the case last year, the priority issues to be discussed, when the session convenes, were determined at a recent meeting of the Ukrainian Supreme Council Presidium and have been agreed with the Ukrainian Cabinet of Ministers. He disclosed that the traditional cooperation between the Presidiums of the Supreme Council and the Ukrainian Cabinet of Ministers will continue at a joint session slated for the next week and added that a working plan will be approved at the meeting. As Mr. Moroz further disclosed to journalists, about 370 issues require the parliament's urgent attention, but the parliamentary session will be able to consider only 100-150 issues. Mr. Moroz said that the priority issues include the draft Ukrainian Constitution. He added that there is hope that the draft Constitution will be adopted during the fifth session. He also disclosed that various parliamentary commissions have prepared 111 out of 150 articles of the draft Constitution. The draft Constitution will be submitted to the Constitutional Committee in January, he added. The chairman of the Ukrainian Supreme Council also disclosed at the press conference that the parliamentary session will also discuss the draft law "On the Ukrainian State Budget for 1996" and other draft laws associated with it. He also added that the creation of the constitutional court, the Control Chambers of the Ukrainian Supreme Council and the improvement of the electoral law will be among the priority issues to be discussed at the fifth session. Mr. Moroz also promised that the parliament will not neglect social issues, particularly those connected with the latest increases in housing charges and charges for public services. Mr. Moroz called for suspension of plans for wage increases until the 1996 budget is adopted.

Government Asked To Suspend Resolution on Wages

LD1601212696 Kiev UNIAN in Ukrainian 1840 GMT 16 Jan 96

[FBIS Translated Text] Kiev — The Ukrainian Supreme Council Presidium has instructed the Cabinet of Ministers to examine, together with the parliament's Commission for Budget Affairs, the provisional estimates of expenditure from the state budget on measures to be taken for the first time in 1996, and also whether the government resolutions concerning price rises for housing and utilities and subsidies conform to the parliament resolution of 22 December 1995, on the procedure for financing expenditure from the Ukrainian state budget in 1996 until a law of Ukraine on the state budget for 1996 is adopted.

The parliament presidium has proposed that until this information is examined at the parliament session the government suspends the force of the resolution on regulating remuneration for labor for employees of the state authorities, the procurator's office, the courts, the customs services, and other bodies, which was adopted on 25 December 1995, that is, after the Supreme Council adopted the said resolution.

At today's session, Supreme Council Chairman Oleksandr Moroz stressed that the government had in fact violated the resolution adopted by parliament. He said that when parliament debates the draft state budget a law or resolution will probably be adopted concerning remuneration for labor for the said categories of citizens.

Nuclear Plants Meet 20 Percent of Safety Criteria

*LD1601224596 Moscow ITAR-TASS in English
2122 GMT 16 Jan 96*

[By Raisa Stetsyura]

[FBIS Transcribed Text] KIEV, January 17 (Itar-Tass) — Short budgets leave Ukraine's nuclear power plants with safety which meets only 20 per cent of standards, Deputy Chairman of the Ukrainian Committee for Nuclear Power Engineering Nur Nigmatullin told a news conference on Tuesday.

He said the Ukrainian power sector faces dramatic difficulties in the year ahead. Seventy per cent of equipment of nuclear plants is obsolete. Four power units of Ukraine's major plants will be halted for a renovation programme which the sector cannot fund.

Nigmatullin voiced concern about possible failure or delay of the programme. Should this occur, Ukraine will have "problems with power supply" at best, he warned.

Bringing order to the payment of corporate power bills might palliate the situation, the official said.

He explained that the committee plans to increase addressed sales of electric power as part of efforts to form a power market in Ukraine.

Economic Issues

Market System for Gas Delivery Faulted

*964F0754A Moscow NEZAVISIMAYA GAZETA
in Russian 29 Dec 95 p 3*

[Article by Tatyana Ivzhenko (UNIAR—special for NEZAVISIMAYA GAZETA): "The Government Regulates the Gas Market: There Are Many Loose Ends"]

[FBIS Translated Text] The Cabinet of Ministers of Ukraine has approved the decree "On the Procedure for Supplying Natural Gas for the National Economy and the Population." Fulfillment of this responsibility was entrusted to Gosneftegazprom [State Committee for the Oil and Gas Industry]. For this purpose the government concluded an agreement on the delivery in 1996 of 50 billion cubic meters of Russian and 23 billion cubic meters of Turkmen gas. Current accounts for gas being used by budget organizations and the population will be controlled by the Ministry of Finance, the Government of the Autonomous Republic of Crimea, and oblast and local state administrations. Nonbudget enterprises and organizations will have to buy gas from wholesale importers—the Sodruzhestvo, OLGaz, Ukrorosgaz, Iren, Transgaz, United Energy System of Ukraine, and other companies.

Commenting on the Cabinet of Ministers decision, Anatoliy Novik, adviser to the prime minister of Ukraine on problems of the fuel-energy complex, noted: "The system being developed by the government for supplying energy resources starting in 1996 consists of making offers on the market, in particular the gas commodity market, on a competitive basis. Moreover, these offers should come from resident companies regardless of their form of ownership." Mr. Novik thinks that "the government's refusal to guarantee payment by Ukrainian residents for Russian and Turkmen gas is not a refusal to regulate the market in general."

After having rejected the state's responsibility for gas use and payment, it would seem that in all respects the laudable idea of abandoning the Soviet system of distribution of energy gives rise on closer examination to a mass of questions and suspicions. First, the government, which has obligated itself to control the implementation of its own decree, it seems, does not know how it is necessary to exercise control: No clear price policy with respect to the delivery of gas in Ukraine exists to the present day. Firms engaging in the transit, distribution, storage, and delivery of gas to consumers operate here. The amount of mutual payments between them depends not only and not so much on the cost of the gas as on the established amount of mandatory payments to the state budget for trading in gas, but this amount has not been determined yet. Prices, obviously, will depend on the revenue placed in the budget from the sale of gas (the Ministry of Economy submitted the sum of 2.6 trillion karbovantsy for approval by the Supreme Council), and on the contract between Ukrgazprom and the Russian Gazprom. Ukrgazprom put forth a requirement that Gazprom did not accept concerning an increase in payment for the transit of Russian gas over the territory of Ukraine from $1.73 to $2.28 for the transportation of 1,000 cubic meters of gas over a distance of 100 kilometers, and also concerning payment for the transit in monetary form only (previously Ukraine received it partly in the form of gas deliveries). Although the parties reached a compromise on many questions, the contract has not been signed yet. Now the government has committed Ukrgazprom to sign contracts in the shortest possible time.

The task seems impracticable by virtue of the fact that deliveries according to contracts and the demands of the regional authorities almost never coincide. It is clear that all importers of energy sources want to work with the regions where the most energy-intensive production is concentrated—Dnepropetrovsk, Donetsk, and Zaporozhye Oblasts. The Cabinet of Ministers has proposed a so-called departmental variant of the distribution of gas—importing firms work directly with branch ministries, which themselves decide what kind of offer is beneficial to each of the enterprises of the branch. The directors of enterprises and the local organs of authority came out against this, and proposed the regional principle of distribution of gas deliveries: An importing firm is assigned to each region. The government, fearing the creation of closed regional markets with an uncontrollable price policy, called such a variant unacceptable. It left the question open, thinking that it would resolve itself in time. But the Cabinet of Ministers in its decree stipulated a reservation: "In the event of the untimely conduct of payments for natural gas and performed services for its transportation, gas transportation enterprises, wholesale importers, and state inspectorates for the efficient use of Gosneftegazprom gas will suspend the delivery of gas in the established procedure right up to complete stoppage. Enterprises, organizations, and institutions—gas consumers—bear responsibility for the consequences. Thus the managers of the aforementioned enterprises and institutions will have to rack their brains over how to meet all the requirements of a government decree in which the members of the Cabinet of Ministers themselves cannot make ends meet."

However, it is not easy for the government either. Economists claim that hastiness in adopting such important decisions, instead of "freeing Ukraine from foreign state debts," as envisaged in the concept, will lead to a multiplication of these debts. Or to the complete downfall of the gas industry and all its consumers. Already in December Ukrgazprom's debt for Russian gas exceeded $190 million, but in the last month the consumption of gas in Ukraine increased by a factor of more than two. According to these calculations, the state will have to pay up. Subsidies to the population are also essential, inasmuch as 40 percent of the consumed gas falls to the share of this sector. But the cited revenue part of the budget in the sum of 2.6 trillion karbovantsy, in the unanimous opinion of the gas operators, is absolutely unfounded, inasmuch as the profit—and this is confirmed by economic calculations—does not exceed 500 billion karbovantsy.

The beginning of the development of a new strategy of supplying Ukraine with gas was accompanied by appeals to do away with economic dependence, particularly on Russia. There would be nothing reprehensible in this, if the people responsible for this work performed it in a professional manner. But the blind haste of the "ideological" document will probably lead directly to the opposite result.

Crimean Finance Minister Steps Down

964F0751A Simferopol KRYMSKIYE IZVESTIYA in Russian 29 Dec 95 p 1

["Decree of the Crimean Supreme Council: On Confirmation of the Crimean Government Directive Discharging Crimean Republic Minister of Finance V.F. Apananskiy From His Position"]

[FBIS Translated Text] In accordance with Article 11 of the Crimean Republic Law on the Crimean Government, the Crimean Supreme Council DECREES:

To confirm Crimean Government Directive No. 482-r, dated 17 November 1995, "On the Discharge of V.F. Apananskiy From His Position."

[Signed] Chairman of the Crimean Supreme Council Ye. SUPRUNYUK
City of Simferopol
14 December 1995
No. 646-1

Belarus

Foreign Minister Invites Russia's Primakov to Visit

WS1701085896 Minsk BELAPAN in English
0749 GMT 17 Jan 96

[FBIS Transcribed Text] As a BELAPAN correspondent was informed at the Press and Information Department of the Belarusian Ministry of Foreign Affairs, Belarus' Foreign Minister Uladzimir Syanko had a telephone conversation with his newly appointed Russian counterpart, Yevgeniy Primakov. They discussed some topical problems in Belarusian-Russian relations and exchanged opinions about a number of international problems. Uladzimir Syanko invited Mr Primakov to visit Belarus. The visit may take place in the near future.

Security Tightened To Prevent Chechen Terrorism

WS1701085996 Minsk BELAPAN in English
0749 GMT 17 Jan 96

[FBIS Transcribed Text] As a reliable source informed BELAPAN, in view of the intensification of Chechen terrorists' actions on the territory of the Russian Federation, the Belarusian government has assigned the relevant bodies the task to establish due control over the situation in the Republic. In particular the national law enforcement bodies are to reinforce control over the known persons of the Chechen nationality and those coming from the Caucasus on the territory of the country, and over the places of their mass residence in Belarusian settlements. More serious measures, such as the reinforcement of militia patrols, are not planned. At the same time, according to the source, Belarusian border guards were instructed to heighten vigilance at the state border. True, this information was not confirmed at the Border Troops Central Board. As its representative said, Border Troops acted and are continuing to act according to the usual routine.

Alternative Cargo Route Discussed With Russian Ministry

WS1201095896 Minsk Radio Minsk Network
in Belarusian 0400 GMT 12 Jan 96

[FBIS Translated Text] A meeting has been held at the Belarusian Transportation and Communication Ministry with representatives of the Kaliningrad Oblast Administration and the Russian Transportation Ministry. The meeting participants discussed prospects for creating a new transportation corridor to deliver cargo by trains and automobiles to Kaliningrad ports. It is planned that it will run through [the Belarusian city of] Hrodna, Goldap, (in Poland), and Gusyev, Kaliningrad Oblast. The need to open this alternative transportation route was prompted by the fact that the present route runs across Lithuania and conditions on which this state allows cargoes through its territory directly to Kaliningrad present certain difficulties for Russian and other suppliers.

Lukashenka on New Decree on Currency

LD1601230596 Minsk Radio Minsk Network
in Belarusian 1700 GMT 16 Jan 96

[FBIS Translated Excerpt] Today, Alyaksandr Lukashenka, president of the Republic of Belarus, gave an exclusive interview to correspondents from the Information Television and Radio Agency in which he expressed his attitude on the sharp increase in the exchange rate of the U.S. dollar in some commercial banks in the republic and spoke about the stabilization of the exchange rate.

[Begin Lukashenka recording] Yes, it is true, we have been maintaining carefully the stable rate of the ruble at the currency exchange. The situation is fully under the president's control. I do not want to conceal the truth. As the head of state I must support the security of the state in this respect, too. I do not want certain commercial dealers [words indistinct]. I am controlling the exchange rate of the Belarusian ruble. The main reason for this situation is the uncertainty in the republic regarding the devaluation of the national currency and the exchange rate of the ruble. Besides, you know there are a lot of those who are willing to make this situation worse, to create additional difficulties in the financial sphere. As you know this effects the economy. Therefore, we saw all these shortcomings by restraining, correcting, and controlling the rates of currencies on the exchange.

I have held a lot of working meetings with specialists, representatives of the Association of Commercial Banks, businessmen, i.e., I am considering the whole range of opinions in our state. In order to create total clarity in our state we, today, made a decision which, first, envisages the establishment of a currency corridor, as it is called in Russia, or limits — upper and bottom borders — that will provide for the variations of the rate of our ruble in relation to the dollar. I forgot to specify these limits: the bottom limit is 11,300 rubles for one dollar and the upper limit is 13,100 by 1 July 1996. [passage omitted]

Some commercial banks have tried to impair this system and may be it was their reaction to the policy of the president in the sphere of the banking system. You know what is happening now. Yes, I took a number of measures today in order to turn the banking system to face the nation and the state. Therefore, this has infringed on the interests of many people, especially bankers. As one of the deputies said at the Supreme Soviet session, reproaching me, there is a huge redistribution of monetary resources under way. Yes, it is true, but in favor of the Republic of Belarus, the nation, and the state; and not in favor of those swindlers who used state funds to earn large dividends for themselves. Yes, redistribution is under way. [passage omitted]

The state now has taken control over the main resources that should be traditionally in the hands of the state, especially during transitional stages. Therefore, I do not rule out that it was intentional unbalancing of the exchange rate. For that reason, we had to make a relevant decision. I will say once more, it was a test for us: will we stand or will we fall. [passage omitted]

I am today responsible for these processes and as the head of state I guarantee the security of the finances of our citizens. I have taken this responsibility upon myself and will answer for that. I have no intention of playing with people. [passage omitted]

The National Bank has eight and a half times more resources in terms of the assets that can be used for intervention in order to prevent any "black Tuesday." [passage omitted]

Here are five points of the decree adopted today. First, my decision has established a currency corridor. This is just one aspect of it. This is why it took so long to develop this decree. This decree is only the first step in state regulation in every direction. This will concern the regulation of wages. I have reduced to the minimum the administrative apparatus, by over 30 percent as promised in my election campaign. By February, we will have reached this level. I have fully regulated the wages from the president down to the chairman of a village council. [passage omitted]

We will regulate the refunding rate and the discount rate. We will regulate the relations between commercial banks on the whole. We will emphasize individual commercial banks. We will not destroy any banks by any means or nationalize them. We do not want that. We will follow only the civilized path. Some bankers have already understood that, they are ready to meet me and to discuss this issue. I do not mind, but I will not give up my position: state money must serve the state. [passage omitted]

The currency corridor is only part of this decree. Second, we are making it obligatory by the presidential decree to sell 50 percent of the hard currency at the exchange. [passage omitted]

Third, a fund for support of exporters is being established in 1996. We will stimulate exporters, including from the receipts from those who will come to the exchange to buy currency, for which they will pay a small percent.

Fourth, in order for the president not to have to spend so much time dealing with these issues — as it is the matter for the National Bank and the government — the president has issued a decree setting up the National Bank Council. In the near future, we will announce its composition, which will include the prime minister of the Republic, the head of administration, the chairman of the National Bank, a representative from the Supreme Soviet, and a representative from the Control Service of the president. There will be, by all means, representation from commercial banks so that there will be no offenses or reproaches. The Association of Commercial Banks will send three people, as it is envisaged. There will be representation from the Federation of Industrialists and Entrepreneurs and a very large group of scientists. They will be talented scientists, the very best in our financial science. The government and the National Bank will not be able to make any decisions without approval of that council. This decree will be announced very soon. We are following the path of the Russian Federation.

The control service of the president has been instructed by the president to control export and import transactions and movement of capital. We will follow everything up in contracts. We are compiling a database, it is virtually ready. We will follow what happens at the currency exchange: who has come, with what contract, on what grounds they buy currency; and we will check customs on all commodity purchases. We will compare purchases and then we will see: you have a contract and bought hard currency on the grounds of that contract, what is taken through customs, what do you import if you buy hard currency to import some commodity, i.e. we will investigate in minute detail each contract. There is a computer database and the control service will control this situation fully. It has very good contacts with the National Bank. This decree envisages such powers and duties for the control service.

I would like to tell you that this decree is the first step the president takes to strengthen the Belarusian ruble. This decree will also provide for state support for exporters.

As for the population, I am instructing the Ministry of Internal Affairs, the Committee of State Security, the Prosecutor's Office — all control structures on the territory of the Republic of Belarus to use all their capacities and all their human resources against currency traders and speculators. If we notice that somebody sells something for hard currency or sells or buys hard currency, this person will be immediately arrested, his hard currency will be confiscated and this will be it. Enough of joking and playing with the state and ruining the economy. All the civilized measures are being taken in order to stabilize the situation on the financial market so that we will not waste hard earned foreign currency. [passage omitted]

We open the way for importers who will import oil, gas, electricity, sunflower oil — what we need. We will act as good managers. [end recording]

Deputies Report on Lukashenka's 'Confrontational Speech'

WS1501101496 Minsk BELAPAN in English 0851 GMT 15 Jan 96

[FBIS Transcribed Text] Since the very beginning of the January 12 parliamentary sitting, from 10:00 am to 15:15 pm, President Alyaksandr Lukashenka made a speech in the Oval Hall behind closed doors. Journalists were not admitted without any explanations. That is why the details of his speech are stated by BELAPAN according to the MPs, basically members of the Civic Action faction, who gave a press conference on the completion of the sitting.

According to Alyaksandr Dabravolski, at 10 o'clock the President entered the Oval Hall accompanied by Supreme Soviet Chairman Syamyon Sharetski. The parliamentary speaker said that according to the agreement that had been reached between the President and factions, Alyaksandr Lukashenka would made a speech about relationships between the executive and legislative powers. Mr Dabravolski pointed out that this speech of the President "was of obviously confrontational character." The President in particular said that "we will need to change the Constitution," motivating this by the fact that the current Constitution was not discussed by large sections of the public. In order to adopt a new Constitution, in the President's opinion, it is necessary to form a Constitutional Commission and then to put the Constitution to a nationwide referendum. Mr Dabravolski gave the following quote: "We should consider whether we need such a body as the Constitutional Court." The President "demanded that the regional MPs (each region should be represented by one MP) should be on the Supreme Soviet Presidium."

Alyaksandr Lukashenka also mentioned about a certain "conspiracy" which had allegedly been hatched by the former minister for internal affairs Yuryy Zakharenka, the chairman of the Constitutional Court Valeryy Tsikhinya and the former parliamentary speaker Myachaslaw Hryb.

Speaking at the press conference the leader of the Civic Action parliamentary faction, Mr Stanislaw Bahdankevich, pointed out that the faction began its activities "rather well," but "there may be great difficulties in our subsequent work if Parliament wavers under pressure on the part of the executive power and the President. Parliament should take a firm position on the basis of the law and the Constitution." As is generally known, Mr Bahdankevich noted, in the second round of the Supreme Soviet chairman elections Civic Action backed Syamyon Sharetski. "We have reached an agreement that a representative of the Civic Action faction should be on the leadership. I mean the posts of deputy chairmen," Mr Bahdankevich said. "It was pointed out that he who was proposed by the faction would be on the Presidium. In addition, in order to ensure consensus, we agreed that members of our faction should be given leading positions in parliamentary committees, above all in the economic one."

After this Mr Bahdankevich dwelt on the main subject of the President's speech. According to him, "two thirds of our President's speech were devoted to one personality — Stanislaw Bahdankevich." "As soon as my name figures on the lists of candidates, some discredit immediately comes to light," he said. The President said that though information he was giving had not been verified, he had decided "to air it before the people." "There was a lot of misinformation, unfounded accusations, but also true facts in this speech," Mr Bahdankevich said. For instance it is true that the aggregate authorized capital of banks was reduced eightfold while Bahdankevich ran the National Bank. But while Mr Lukashenka was in office, within the period from December 1994 to October 1995, "working capital in the economy was totally lost, the reduction is estimated at some 38,000 times."

The former chairman of the National Bank defined as inept the accusation that "banks under the leadership of Bahdankevich made huge profits owing to high interest — 500, 600 percent and so on." "But this statement contradicts what the President has said before," Mr Bahdankevich said. "If we had such huge profits why was the authorized capital reduced?" "...He made one more foolish statement. He said that reserves had been kept in a New York bank and in some another bank. Any reserves of any country are kept in foreign banks."

The President accused Mr Bahdankevich that the National Bank under his command had given credits. But, according to the former National Bank chairman, the law does not allow the National Bank to give credit to anyone with the exception of commercial banks to support them, and to the Cabinet of Ministers. Besides these bodies, credit may be given to the Ministry of Internal Affairs, the Ministry of Defence and the State Committee for State Security. I and my people did not give credit to anybody else. All this is a lie." One of the most serious accusations against Mr Bahdankevich was that "the National Bank purchased $7 million in the West and sold them to the Baltic states through Banka Baltija. "The National Bank did not sell this money to the Baltic states," Bahdankevich said. Almost all the accusations the President brought were denied by him. He informed reporters of an interesting detail: "The whole report, according to unofficial sources, was made last night by Belarusbank." Mr Bahdankevich gave details on the "open position" ("how much foreign currency a commercial bank may purchase at its own expense and how long it may hold it"). "I allowed banks to use 1,200 million Belarusian rubles for this purpose, after the merger — 5 billion. Now the National Bank has allowed the Savings Bank Belarusbank to purchase 250 billion rubles in Russia and keep them there. We need resources, but they purchase Russian securities, keep them there, and invest them with some foolish substantiations."

Stanislaw Bahdankevich said he did not intend to sue Alyaksandr Lukashenka for slander. He will demand the floor in Parliament to refute what the President said.

After the President's speech Parliament went into recess until Tuesday, January 16. On January 13 parliamentary factions are expected to hold consultations on elections to the posts of Supreme Soviet deputy chairmen and members of the Presidium, as well as on the structure and number of permanent parliamentary committees. Parliament is expected to begin the Tuesday sitting with the consideration of these issues.

Presidential Directive on State Information Policy

WS1501152196 Minsk RESPUBLIKA in Russian
13 Jan 96 p 2

[President Lukashenka's Directive No. 3RP of 4 January 1996: "On Certain Issues of State Information Policy"]

[FBIS Translated Text] To ensure our citizens' constitutional right to receive reliable and timely information about the activities of state bodies and the Republic's political, economic, and international life, I hereby order:

1. The Presidential Administration of the Republic of Belarus shall:

1.1. Set up a part-time group of sociopolitical observers to include scientists — sociologists, economists, people active in literature and arts, managers of ministries and other central administrative bodies of the Republic of Belarus;

1.2. Publish, beginning in January 1996, the monthly Belarusian Presidential Administration Information Bulletin in Belarusian and Russian.

The Presidential Administration of the Republic of Belarus shall approve regulations on the bulletin, the makeup of its editorial board, and position descriptions.

2. Within the framework of the Belarusian Presidential Administration Institute of Information and Forecasts, and without hiring additional employees, a bureau of information support of educational and sociopolitical propaganda shall be established.

3. The National Television and Radio Company of the Republic of Belarus shall establish a team of political commentators and observers within its framework and without hiring additional employees.

4. Managers of the media established by state bodies and subsidized by the national budget shall be employed on a contractual basis.

I hereby resolve that chief editors of the national periodical publications financed by the national budget — with the exception of the newspapers ZVYAZDA, SOVETSKAYA BELORUSSIYA, NARODNAYA GAZETA and the BELARUSKAYA DUMKA magazine — shall be appointed by the Cabinet of Ministers after coordination with the Presidential Administration of the Republic of Belarus.

5. To ensure reasonable use of state funds, the Presidential Administration of the Republic of Belarus and the Republic of Belarus State Committee for the Press shall review by 1 February 1996 the number, structure, and makeup of founders of periodical publications subsidized by the national budget.

6. The status of oblast, town, unified, and rayon newspapers established by executive committees shall be determined as periodicals published by those committees. I hereby resolve that chief editors of the aforementioned newspapers shall be approved by the executive committees of local bodies of power and shall become members of those committees.

7. The Cabinet of Ministers of the Republic of Belarus, together with the Presidential Administration of the Republic of Belarus shall:

7.1. Equip rayon and town newspapers established by executive committees with computers, linking the latter to the Belarusian Telegraph Agency information system;

7.2. Town and rayon publishing houses shall be handed over to the executive committees of local bodies of power;

7.3. State-run national and local periodical publications shall receive targeted supplies of paper by the Republic of Belarus State Committee for the Press;

7.4. In January-February 1996 periodical publications issued in the Republic of Belarus shall be registered by the Republic of Belarus State Committee for the Press, and nonstate television and radio companies shall be registered by the State Commission for Radio Frequencies.

7.5. Graduates of the Belarusian State University Journalism Faculty shall receive targeted designations to work in rayon and town newspapers.

8. The Presidential Administration Academy of Management shall organize training courses for editors of rayon and town newspapers.

[Signed] Belarusian President Alyaksandr Lukashenka.

Former KGB Chief Views Current Tasks, '95 Results

WS1601153196 Minsk ZVYAZDA in Belarusian 12 Jan 96 p 2

[Call-in interview with former Belarusian KGB Chairman Uladzimir Yahoraw at the ZVYAZDA offices in Minsk on 20 December: "KGB: People and Matters"]

[FBIS Translated Excerpt] [passage omitted] [Caller] What does the KGB currently deal with?

[Yahoraw] It performs its usual work. The intelligence service collects required information in the areas of politics, economics, science, and technology. The counterintelligence service thwarts attempts by foreign special services and protects state secrets, our priorities in various areas of the country's activities.

While preventing illegal activities by certain citizens, the KGB acts in accordance with what is defined as our competence by legislation. This relates to terrorism, smuggling, illegal border crossings, loss of documents containing state secrets, disclosures of secret information, particularly large thefts, and illegal deals with precious metals.

First of all, the protection of the interests of both individual citizens and the state as a whole, meaning the national security of our country, lies in the foundation of our work.

[Caller] How does the KGB cooperate with other law enforcement bodies?

[Yahoraw] You are correct believing that the results of our joint work in many respects depend on cooperation among law enforcement bodies. As you know, an interdepartmental commission for combating organized crime has been set up. Security bodies, receiving information about planned or committed crimes, tackle those which are within our competence in accordance with legislation. Everything else that comes within the purview of the KGB is immediately reported either to the Ministry of Internal Affairs or the Belarusian Prosecutor's Office. This process is reciprocal, and the talk is not about competition or prestige. What is important is a professional approach to the tasks of law enforcement bodies.

We hope that the coordinating function of the interdepartmental commission will contribute to the process of restoring order in our Republic.

[Caller] Precisely what and whom have KGB employees detected?

[Yahoraw] The investigative subunits of the KGB have recently completed a number of criminal cases, either independently or along with the Prosecutor's Office or the Interior Ministry.

The former director of the Belarusian cement plant, Ye.A. Radzevich, has been sentenced for accepting a $12,000 bribe. The Hrodna Oblast Prosecutor's Office has recently pressed criminal charges against people disclosed by us who are accused of bribery and abuse of power. The Military Prosecutor's Office is currently investigating the activities of former General T., who held a responsible office at the Belarusian Defense Ministry, and caused economic damage to the state amounting to $808,000.

The people's court of the Leninski rayon in the city of Hrodna has sentenced L.M. Sakhnowski, who was deemed a particularly dangerous recidivist, for 13 years of imprisonment. Being the Delfin company director, he stole 908 million rubles [R] from citizens. Under his patronage, as the saying goes, drugs were shipped via the city of Hrodna. Additionally, he acted as a pimp and conducted illegal commercial operations.

A laboratory to produce synthetic drugs has been detected in Vitsebsk, and shops to manufacture weapons — in Minsk and Mahilyow.

This is not the complete list of crimes detected by our employees.

[Caller] How do KGB employees live?

[Yahoraw] They live like the majority of our Republic's citizens in this situation. The material allowance of a mid-level employee of state security bodies consists only of a money allowance amounting to R2 million (according to his office, military rank, and length of work). This also includes compensation for a food allowance. You know the situation with housing in our Republic. Our employees are not exempted in this sphere. Currently, 798 of them are waiting in line for apartments, and some of them have not yet been put on this line at all (particularly those who were transferred to the service in the Belarusian KGB from other CIS republics).

[Caller] Deputies to the 12th Supreme Soviet frequently reproached you in the media because the KGB budget was very high....

[Yahoraw] It is just the opposite. We are not pampered at all in this regard. Last year we received 90 percent of the approved sum, 30 percent of which was spent on the maintenance of government communication and 50 percent — on general expenditures for money allowances and payments for operational employees. As everyone else, we pay income taxes.

As you can see, nothing is thus left for construction and technical support.

[Caller] Since it is your task to defend the motherland, against whom have you protected its interests?

[Yahoraw] All services of the Belarusian KGB make their contribution to the defense of our motherland's interests according to their tasks. This relates to the intelligence and counterintelligence services, as well as other subunits. It would take too long to list all of them. Since it is currently trendy to speak in the language of numbers, I will cite the following figures. The following was returned to the state or confiscated in accordance with courts' rulings last year as a result of completed criminal cases:

— $1,033,612;
— 180,524,500 Russian rubles;
— 3405.83 karats of natural diamonds worth $808,000;
— 17.89 kg of silver ingots;
— 866 grams of platinum;
— 346 tonnes of nonferrous metals;
— over 80 tonnes of liquor worth R1,006,348,000;
— over 600 kg of very scarce and expensive foreign poisonous chemicals;
— a considerable amount of drugs, including 297.5 kg of poppy straw, 4 kg of hashish, and over 11 kg of unprocessed opium.

We are thus more than compensating for our maintenance, so the taxpayers should not reproach us. [passage omitted]

Supreme Soviet Sets Out Media Coverage Demands

LD1601232296 Moscow ITAR-TASS World Service in Russian 1751 GMT 16 Jan 96

[By TASS-BELTA correspondent Vladimir Gulevich]

[FBIS Translated Text] Minsk, 16 Jan — Having disagreed with President Aleksandr Lukashenka, who had asked deputies to comply with the law on the press and show respect for freedom of speech, the Belarusian Supreme Soviet adopted a decision at its first session today on covering its work in the republican media. The parliamentarians decided that the NARODNAYA GAZETA and ZVYAZDA newspapers will provide prompt coverage of the session. The Belarusian telegraph agency was instructed to prepare official reports on the sessions for the media, together with the session's editorial commission. The national television and radio company was instructed to cover parliamentary sessions in news and special television and radio bulletins. Also "Parliamentary Hour," a weekly television program, has been planned.

Moldova

President Warns Against Playing Transdniestrian 'Card'

LD1601205996 Moscow INTERFAX in English 1812 GMT 16 Jan 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] President Mircea Snegur believes it is necessary to resume monthly meetings by parties involved in the regional peace process aimed at resolving the conflict in the country's eastern parts, Snegur told Russian envoy Yuriy Karlov at regional peace talks on Monday. IF Note: Karlov mediates in Transdniestrian talks together with the Ukrainian envoy and OSCE [Organization for Security and Cooperation in Europe] representatives as provided by the Moscow-Chisinau deal of July 21 1992 putting an end to the armed conflict in region.

Snegur said the stalling of the peace process could "evoke public mistrust."

He indicated a consistent position taken by Russia and above all, its President Boris Yeltsin based on respect for Moldova's independence and territorial integrity in resolving the regional conflict. At the same time the president expressed wishes that the conflict should not be allowed to be used as a playing card by different political groups both in Moldova and Russia.

In this connection, Snegur described as being controversial Russia's proposal for transforming its operational interim contingent deployed in the country's east into a peacekeeping force.

He expressed the hope that the appointment of a Ukrainian representatives to the talks would set conditions for rallying effort by all parties concerned.

For his part, Karlov said any resumption of peace negotiations could help towards Moscow's vigorous involvement in efforts aimed at bringing normalization in the region. The Russian envoy said Yeltsin wanted to see a peaceful solution to the problem and restoring peace and calm to eastern parts of Moldova.

Peacekeeping Force Likely To Be Created in Dniester

LD1601182796 Moscow INTERFAX in English 1631 GMT 16 Jan 96

[FBIS Transcribed Text] CHISINAU, Jan 16 (Interfax) — Moldovan President Mircea Snegur said inter-ethnic peacekeeping forces may be created in the Transdniester region under the auspices of the OSCE [Organization for Security and Cooperation in Europe].

Speaking at a meeting with the OSCE executive chairman Flavio Cotti, head of Switzerland's Foreign Affairs Department, Snegur underlined that this is possible provided Ukraine accepts the invitation to be mediator and peace guarantor in this region.

The Moldovan, Russian, and Ukrainian presidents plan to consider and sign a memorandum which would speed up the solution of Transdniester's problem, Snegur said. He assumed that withdrawal of the group of Russian forces from the republic's territory "would give a new impetus to improving the situation in this region."

According to Cotti, the OSCE permanent mission in Moldova will continue its activity and is ready to participate in organizing a meeting between the republic's leadership and Tiraspol's leaders already this January in order to determine the region's special juridical status.

Kazakhstan

Foreign Minister: Dudayev Side Undermined Talks

LD1601183596 Moscow INTERFAX in English
1808 GMT 16 Jan 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] ALMATY, Jan 16 (Interfax) — Almaty opposes separatism and terrorism, Kazakh Foreign Minister Qasymzhomart Tokayev told Interfax Tuesday.

Commenting on the developments in the Dagestani village of Pervomayskoye, he said that the Russian leaders have done everything possible to resolve the Chechen issue by peaceful means. "Moscow even held talks with the rebels," he said.

He expressed understanding of the position of Russia which looked for all possible ways to resolve the conflict peacefully.

However, the talks, where a certain progress had already been achieved, were undermined by terrorist escapades of Dudayev supporters, after which there remained no hope of resolving the conflict peacefully, said Tokayev.

He put all the blame for the talks failure on terrorism, of which the hostage-taking in Kizlyar was the most dramatic example.

Qazhygeldin, Iran's Habibi Hold Joint News Conference

LD1701111396 Tehran IRNA in English
0714 GMT 17 Jan 96

[FBIS Transcribed Text] Almaty, Jan. 17, IRNA — The visiting Iranian First Vice-President Hasan Habibi and Kazakh Prime Minister Akezhan Qazhygeldin on Tuesday [16 January] emphasized national will of the two countries to promote bilateral cooperation.

Speaking in a joint press conference, the two officials further underscored that Tehran and Almaty are determined to expand bilateral cooperation in the fields of industry, oil, transportation and banking.

Habibi told reporters that in his meeting with President Nursultan Nazarbayev he handed over a letter from President Akbar Hashemi-Rafsanjani inviting his Kazakh counterpart to pay a state visit to the Islamic Republic of Iran.

The Iranian vice president added that President Rafsanjani has invited Nazarbayev to come to Tehran before the inauguration of the Mashhad-Sarakhs-Tajan railway to allow time to discuss issues of mutual interest.

Both Caspian Sea littoral states are also to cooperate in formulating the legal regime of the sea.

The Islamic Republic of Iran has taken dramatic steps to boost its relations with Kazakhstan ever since it gained independence from the former Soviet Union in 1991. To this end the joint Iran-Kazakhstan economic commission has been formed and has so far held two sessions in Tehran and Almaty. Meanwhile Iranian and Kazakh businessmen have opened up trade between the countries.

At least 40 cooperation agreements have been signed between the two countries.

Ways to implement the agreements were discussed in Habibi's current visit.

Habibi also told reporters that his talks with Kazakh President Nazarbayev and Qazhegeldin were constructive. He said issues of mutual interest were discussed and necessary decisions were made.

Other issues discussed included Iran's involvement in the exportation of Kazakh oil, reconstruction of octave port as well as Iranian investment in Kazakhstan.

Habibi further told reporters that Iran maintains that the Caspian Sea littoral states should take immediate measures to determine the legal regime of the sea.

To speed up formulation of the regime, bilateral and multilateral talks should open among the littoral states at experts, ministerial and if necessary by the heads of state, Habibi told the reporters.

As two littoral states, deputy foreign ministers of Iran and Kazakhstan are to hold talks shortly.

Turning to Afghanistan, Tajikistan and Karabakh crises, Habibi said Tehran has always favored negotiations and peaceful approaches.

Meanwhile, Qazhegeldin termed the imminent opening of the Mashhad-Sarakhs-Tajan railroad project as a historic development which would further promote regional cooperation.

The Kazakh prime minister referring to Iran as a key country in the region, welcomed further promotion of Tehran-Almaty ties. He said that no one could mar Irano-Kazakh relations.

He voiced his country's support for Iran's initiative to foster cooperation among the littoral states within the framework of the Caspian Sea cooperation organization.

The Kazakh prime minister also welcomed Habibi's invitation to visit Iran.

Habibi Wants To Promote Economic Ties

LD1601205096 Tehran IRNA in English
2013 GMT 16 Jan 96

[FBIS Transcribed Text] Almaty, Kazakhstsan, Jan 16, IRNA — First deputy president of Iran, Hasan Habibi, told a group of Iranian businessmen and traders here Tuesday that it was necessary that Iran and Kazakhstan further develop their economic and trade relations.

Habibi said protective devices would shortly be adopted in order to market quality Iranian products and ensure their good quality so that profiteers would not be able to market substandard products that might be to the disreputation of those products of Iran in other countries.

Iran's Va'ezi Wants Agreements Implemented

LD1601204696 Tehran IRNA in English
2006 GMT 16 Jan 96

[FBIS Transcribed Text] Almaty, Kazakhstan, Jan. 16, IRNA — Deputy foreign minister of Iran, Mahmud Va'ezi, told foreign minister of Kazakhstan, Qasymzhomart Kemeluly Toqayev, here Tuesday that Iran is interested to see implementation of previous agreements between the two countries.

He said also that Iran looked forward to closer cooperation of Kazakhstan for solving regional problems such as the crisis in Tajikistan and Afghanistan.

The Iranian official said Iran looked to an early meeting between the foreign ministers of the littoral states of the Caspian Sea for agreeing on its legal regime.

The foreign minister of Kazakhstan welcomed the proposal and said the meeting between those ministers would be a positive step towards an agreement on the legal regime of the Caspian Sea.

Kyrgyzstan

Foreign Minister Welcomes Primakov Appointment

LD1201195996 Moscow INTERFAX in English
1831 GMT 12 Jan 96

[From the "Diplomatic Panorama" feature]

[FBIS Transcribed Text] BISHKEK, Jan 11 (Interfax) — Kyrgyzstan's Foreign Minister Roza Otunbayeva has welcomed the appointment of Yevgeny Primakov as Russia's foreign office chief. "Primakov is well known in Kyrgyzstan as a competent professional" she said in an interview with Interfax in Bishkek, recalling that Primakov repeatedly visited her republic as a member of the former USSR parliament.

She voiced hope that her republic would further cooperate with Russia to mutual advantage.

Bishkek Seeks Expansion of Ties With Tehran

LD1301193796 Tehran IRNA in English
1851 GMT 13 Jan 96

[FBIS Transcribed Text] Bishkek, Jan. 13, IRNA — The Kyrgyz foreign minister said on Saturday that his country is eager to expand its ties with Iran.

Briefing reporters on the foreign policy of Bishkek in 1996, Ms. Roza Otunbayeva mentioned that the recent visit to Tehran by Kyrgyz President Askar Akayev and Premier Apas Dzhumagulov helped further strengthening of bilateral relations.

She also underscored importance of the Mashhad-Sarakhs-Tajan railway project, designed to connect Central Asia to the outside world via the Islamic Republic of Iran, and called it a bridge between the European and Asian continents.

Kyrgyz, Tajik Regions Sign Economic Cooperation Agreement

LD1601171496 Osh EKHO OSHA in Russian
4 Jan 96 p 2

[FBIS Translated Excerpt] Official section: An agreement on trade, economic, and cultural cooperation between Osh state administration of the Kyrgyz Republic and the administration of the Gornyy Badakhshan Autonomous Region of the Republic of Tajikistan. The Osh regional state administration of the Kyrgyz Republic and administration of Gornyy Badakhshan Autonomous Region of the Republic of Tajikistan express their mutual interest in developing cooperation, understand the necessity for joint efforts in order to emerge from crisis, take into account the close traditions, culture, and historical destiny of the two peoples, and, with the aim of creating the most favorable economic conditions for the activities of all enterprises and institutions in the regions, and the development of market relations, agree to the following:

1. The contracting sides will make every effort within the framework of their national laws to promote the establishment and development of mutual cooperation. They confirm their intention of considering each other's proposals to improve friendship and cultural relations in the most favorable and constructive spirit. [passage omitted]

4. The two sides have agreed to ensure comprehensive cooperation between the law-enforcement, national security, border guard, and customs services of the two regions in the fight against organized crime, arms, and drug smuggling, and in safeguarding peace and security in the region. In this context they consider it expedient

for the law enforcement bodies to exchange information on a regular basis. [passage omitted]

6. The two sides, taking into account their own possibilities, will promote the development and expansion of economic relations in all spheres of production and trade, in concluding economic and trade agreements, in bartering goods and raw materials, in establishing joint ventures for wool, raw leather, fruit, and vegetable processing, as well as in opening shops and public catering enterprises.

Gornyy Badakhshan Autonomous Region will participate in developing the Alay coal deposit.

Gornyy Badakhshan Autonomous Region will supply Osh Region with marble, finished articles from precious and semi-precious stones, walnuts, wool, tobacco, and with raw leather. The volume of the supply of articles will be fixed in contracts to be concluded between the enterprises and institutions of the two regions.

On the basis of this agreement, concrete contracts and agreements can be concluded in every branch of the national economy, irrelevant of their form of ownership.

This agreement can be amended on the agreement of both sides.

This agreement is valid from the time of its signing.

Carried out on 28 December 1995, in two copies, in Russian, and both copies are of equal validity.

Turkmenistan

President Announces 1996 Oil, Gas Extraction Targets

MM0801152796 Moscow ROSSIYSKAYA GAZETA in Russian 6 Jan 96 p 10

[Unattributed report: "Fuel and Energy Complex Still in the Lead" — from the "Departmental Supplement"]

[FBIS Translated Text] In 1996 Turkmenistan will extract 5 million tonnes of oil and around 65 billion cubic meters of gas, Turkmenistan President Saparmurat Niyazov announced at a session of the People's Council (the country's supreme organ of power).

He informed the people's elected representatives that the plan is to export 45 billion cubic meters of gas next year.

"The fuel and energy complex will remain the key element in Turkmenistan's life support system," the president stated.

Niyazov, Ukraine's Kuchma Discuss Gas Payments

LD0701120396 Ashgabat Radio Ashgabat Network in Turkmen 1500 GMT 6 Jan 96

[FBIS Translated Excerpt] A telephone conversation took place today between Turkmen President Saparmurad Turkmenbashy [Niyazov] and Ukrainian President Leonid Kuchma. During the conversation, the two leaders congratulated each other on the new year and expressed best wishes to the Turkmen and Ukrainian people. [passage omitted]

They noted some improvement in payments for Turkmen gas supplies in 1995 and that goods [from Ukraine in exchange for gas] are coming regularly. At the same time, the Ukrainian president stressed that the $35 million debts for gas supplies in November and December last year will be paid in the near future and that he has given corresponding instructions in this connection. [passage omitted]

The Turkmen and Ukrainian presidents also exchanged opinions on the upcoming Moscow CIS summit and noted that mutually agreed bilateral talks will be continued during that summit.

During the telephone conversation, Saparmurad Turkmenbashy and Leonid Kuchma discussed other matters of mutual interest.

Niyazov, Uzbek President Sign 21 Agreements

LD1701105196 Ashgabat TURKMEN PRESS in Russian 0730 GMT 16 Jan 96

[FBIS Translated Excerpt] The meeting and talks between President of Turkmenistan Saparmurad Turkmenbashy [Niyazov] and President of Uzbekistan Islam Karimov.

The city on the bank of the Amudarya [river] is in festive attire. This morning, President of Turkmenistan Saparmurad Turkmenbashy arrived here. [passage omitted]

While the talks between the two presidents were under way, members of the Turkmenistan and Uzbekistan Governments prepared the package of documents to be signed by the presidents on strengthening friendship, fraternity, and mutually beneficial cooperation in all spheres between the two peoples. A total of 21 agreements were signed envisaging concrete directions of partnership in the economic and trade spheres and in the area of humanitarian ties.

When the fruitful talks had finished the presidents of the two neighboring states signed an agreement on friendship and cooperation between Turkmenistan and the Republic of Uzbekistan in the presence of members of the governments of their countries and representatives of the public. [passage omitted]

Touching upon one of the key moments in the agreements reached — mutual consent on equal rights to the water of the Amudarya, both leaders stressed that this would be the basis for regulating civilized relations for decades to come. The issue of a customs border was also singled out among the most important issues. In accordance with this [agreement], both countries will build their relations taking into consideration traditional neighborly relations and mutual national interests. [passage omitted]

Turkmen, Uzbek Leaders End Talks

LD1601211296 Moscow INTERFAX in English 1812 GMT 16 Jan 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] Presidents of Turkmenistan and Uzbekistan Saparmurad Niyazov and Islam Karimov ended talks in the Turkmen city of Chardzhou on Tuesday by signing a package of cooperation agreements.

This includes an outline political treaty and cooperation agreements on border protection, water use and others, Turkmen foreign ministry officials told Interfax.

Commander of the republic's border troops Akmurad Kabulov told Interfax that the border deal provides for cooperation in protecting sections of the CIS external frontier at the convergence of borders of Turkmenistan, Uzbekistan and Afghanistan. He said border guards of the three states would cooperate in checking cross border smuggling.

Many say the terms of exploiting the oil fields on the right bank of the Amudarya river were expected to dominate the agenda of the private meeting between Niyazov and Karimov.

A Turkmen official said the question was one of the Yashyl-Depe (Kokdumolak in Uzbek) site whose proven reserves were put at some 100 million tonnes of oil and gas at the time when the Soviet Union was still alive.

He said Ashgabat had proposed sticking to a 17%-19% stake with Uzbekistan expected to develop the oil field on its own.

There was a traditional exchange of gifts before the start of the talks with Karimov presenting a carpet complete with Niyazov's portrait as well as memorial medals of silver and gold to the Turkmen leader.

Uzbekistan

President Karimov Visits Turkmenistan

Border Protection Agreement Signed

LD1601172996 Tashkent Uzbekistan Television in Russian 1430 GMT 16 Jan 96

[FBIS Translated Excerpt] President of Uzbekistan Islam Karimov left for Turkmenistan today on a working visit, at the invitation of Turkmen President Saparmurad Turkmenbashy [Niyazov]. [passage omitted]

[Unidentified correspondent] Islam Karimov today arrived in Chardzhou. President of Turkmenistan Saparmurad Niyazov and other officials met the leader of Uzbekistan at the aircraft.

The motorcade left for the residency, where one-to-one talks took place between the presidents of Uzbekistan and Turkmenistan. Expanded-format talks and the signing of bilateral agreements then took place. The group of documents signed envisages the further development of friendship, cooperation, and mutual assistance between the neighboring countries. An agreement was also signed at presidential level between the government of the Republic of Uzbekistan and the Turkmen government to cooperate in guarding the border. A number of important documents were signed at the level of the deputy prime ministers of the republics. These documents cover fields including bilateral cooperation in setting up financial groups, cooperation in the field of standardization, metrology, and certification, and many other questions of mutual interests.

Islam Karimov today returned to Tashkent from Chardzhou. [passage omitted]

Karimov Comments on Turkmen Relations

LD1601163896 Tashkent Radio Mashal in Uzbek 1000 GMT 16 Jan 96

[FBIS Translated Excerpt] As we have already reported, at the invitation of President of the Republic of Turkmenistan, Saparmyrad Turkmenbashy Niyazov, the President of the Republic of Uzbekistan, Islam Karimov, today left for that country. [passage omitted]

Our correspondent Navruz Rizayev had an interview with the president of our country, Islam Karimov, at Tashkent airport, before his departure for Turkmenistan.

[Begin Karimov recording] It is true that Turkmenistan is a friendly and fraternal country to us. The aim of our visit to this country, with which we have very good relations, is above all to improve ties and bring our two countries closer together in an all-round way, to tackle the problems we are facing together at this current difficult time, standing shoulder to shoulder, as one body.

It is no secret that after the disintegration of the Soviet Union each country chose its own path towards the future. Very soon we will mark the fifth anniversary of the disintegration of the Soviet Union, and in these years each state has made its own history, achievements, and, to speak openly, its own mistakes. From this point of view, an exchange of opinions on this, and a comparison of the path we have taken with the path they have taken, and drawing conclusions from this, are also big tasks.

However, our main task is ratification of about 18 mutual, interstate and inter-governmental agreements and of the main document, that is, the agreement between Turkmenistan and Uzbekistan on friendship, accord, and mutual cooperation. Then, the solution of certain questions about our borders; once again we will define the borders, for example in dividing the Amudarya River waters. Everybody knows that both Turkmenistan and Uzbekistan live off the Amudarya. From this point of view, the official delineation of this, its regulation, is also our task. [end recording] [passage omitted]

Armenia

Security of Karabakh Discussed at Moscow Negotiations

NC1601201396 Yerevan NOYAN TAPAN in English 0542 GMT 16 Jan 96

[FBIS Transcribed Text] Yerevan, Jan. 16 (NOYAN TAPAN)—The eighth round of tripartite negotiations on the Karabakh conflict under the umbrella of the OSCE Minsk group took place in Moscow on January 9-12. Armenian delegation was led by Deputy Foreign Minister Vardan Oskanyan, according to Armenian Foreign Ministry.

For the first time after the fifth summit of OSCE Foreign Ministers the parties to the conflict focused their attention on key issues of the Karabakh conflict settlement, namely the security of the Mountainous Karabakh. The parties to the conflict outlined their attitude towards the elaboration of a package of measures to ensure security in the conflict zone, paying particular attention to the major elements of the security and the matter of ensuring of free and uninterrupted connection of Karabakh with outer world.

The negotiations were followed by the session of the OSCE Minsk group which was attended by three contending parties. The OSCE Minsk group welcomed the fact that the problem of Karabakh security was paid great attention.

On January 13 participants of the negotiations and members of the OSCE Minsk group met with newly-appointed Russian Foreign Minister Yevgeniy Primakov.

He pointed to the necessity of solving the conflict within the framework of OSCE and stressed that Russia being co-chairman of the Minsk group, would further promote peaceful settlement of the conflict.

Visiting Georgian Parlaiment Head Holds News Conference

NC1601201596 Yerevan SNARK in English 0510 GMT 16 Jan 96

[FBIS Transcribed Text] Yerevan, January 16 (SNARK) — Today Zurab Zhvania, Speaker of the Georgian Parliament, and Babken Ararktsyan, Chairman of the Armenian National Assembly, held a press conference in Yerevan. Describing the results of Georgian parliamentary delegation's two-day visit to Yerevan, Zhvania said that mutual understanding around all issues is observed between Armenia and Georgia. According to him, meetings with Armenian leaders showed there are no serious problems between the two countries.

In order to boost and develop Armeno-Georgian interparliamentary ties, a parliamentary committee containing members from both countries has been decided to form. The committee is to conduct regular sessions in Yerevan and Tbilisi in turn. Wide arrangement of matters of mutual interest should be discussed. The most important issue, however, will be the coordination of legislative activity of the Armenian and Georgian parliaments.

Kakha Chitaya, Chairman of the Parliamentary Committee on International Relations, told SNARK that they intend to form a similar mixed committee with the Azeri Milli Majlis. Later Azerbaijan might join them if the three countries agree. This could help consider issues related to difficulties common for the three Transcaucasian republics, stressed Chitaya.

A delegation of the Georgian Parliament is due to pay an official visit to Azerbaijan early in February.

Armenia, Georgia To Cooperate With Russia

NC1601204096 Yerevan NOYAN TAPAN in English 0903 GMT 16 Jan 96

[FBIS Transcribed Text] Yerevan, Jan. 16, (NOYAN TAPAN) — At a press conference today National Assembly's Chairman Babken Ararktsyan and his Georgian counterpart Zurab Zhvania pointed out in connection with results of elections to the Russian State Duma that both countries would continue developing relations with Russia.

According to Zhvania, events are sometimes excessively dramatized and it is no use to reconsider relations with Russia. "It was very important for me that the leader of the Communist Party Mr. Ziuganov said it was necessary to evade taking harsh steps. As you can see the main part of Russia's legislative assembly understands that the policy should be moderate, and any harsh changes can yield serious and undesirable consequences. We are inclined to maximally cooperate with the State Duma's new staff. There are lots of issues of mutual interest. I do not think there are serious obstacles in the way of this cooperation", Georgian Parliament's Chairman said.

Comments on Chechnya Involvement

NC1601200396 Yerevan NOYAN TAPAN in English 0801 GMT 16 Jan 96

[FBIS Transcribed Text] Yerevan, Jan. 15 (NOYAN TAPAN) — Tragic events in Chechnya and the village of Pervomayskoye have been paid much attention at a news conference held Monday [15 January] in Yerevan. The news conference was organized in connection with Georgian parliamentary delegation's visit to Armenia.

Georgian Parliament Chairman Zurab Zhvania noted: "Georgia is a country, which by its own experience knows what terrorism is. It is the problem which can undermine any society. Georgian leadership's position as well as that of the Georgian Parliament is unequivocal — all forces of our planet and in our very turbulent region should cooperate with each other, so that to eradicate the terrorism as a form to resolve various problems." According to Zhvania, any attempt by Caucasian peoples to involve in Chechnya events is extremely dangerous. "All Caucasian peoples must understand the danger of the situation and condemn these actions", he emphasized.

Araraktsyan condemned hostage taking, saying there was possibility of political settlement of the problem. "However, apparently, terrorism is still persistent, and terrorists must be punished otherwise it may have an extremely dangerous precedent.

"It was necessary to cut already the first attempts to solve the problem by means of terrorist act", Ararktsyan stressed.

Official: No Hurry To Join CIS Customs Union

NC1301155196 Yerevan SNARK in English 1040 GMT 13 Jan 96

[FBIS Transcribed Text] Yerevan, January 13. (SNARK)—Tigran Davtyan, Chairman of Armenian Economy Ministry's Department on Foreign Trade, stated in an interview with Snark that Armenia does not hurry to join the CIS Customs Union, while Kyrgyzstan, Uzbekistan and Tajikistan expressed will to become members of the Union. A very liberal foreign trade regime in Armenia to attract investments and import goods regardless the blockade and the lack of raw materials, was imposed because of a specific situation here. At the same time, local manufacturers do not need in protection, Davtyan added.

If Armenia becomes a member of the Customs Union, it will have to give up soft terms while trading with other countries, including Iran which is the largest deliverer of goods and foodstuffs.

Davtyan said Armenia is quite satisfied with the free trade regime with Russia and other CIS countries. Agreements on free trade have been signed with Russia, Georgia, Moldova, Uzbekistan and Ukraine. Meanwhile, both Russia and Armenia are partially observing the agreement signed between the two countries but ratified only by the Russian side.

Government Denies Allegations of Premier's Resignation

LD1601185696 Moscow INTERFAX in English 1631 GMT 16 Jan 96

[FBIS Transcribed Text] Yerevan, Jan 16 (Interfax) — Armenian governmental spokesman Vladimir Manoyan denied media allegations about Prime Minister Grant Bagratyan intending to tender resignation in an interview with Interfax Tuesday.

The press service of Armenian President Levon Ter-Petrosyan also failed to confirm the media reports.

However, Armenia's LRAGIR independent paper had quoted some reliable sources that Bagratyan is likely to submit his resignation, and his resignation is highly likely to be accepted.

Among the most probable successors to Bagratian as prime minister are Armenian Vice President Gagik Arutyunyan, who served as prime minister in 1992, and Armenian Ambassador to Great Britain Armen Sargsyan.

Bagratyan, aged 37, has been leading the Armenian Cabinet of Ministers since February 1993.

LRAGIR DAILY Changes to LRAGIR OR

NC1301173796 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0951 GMT 13 Jan 96

[FBIS Transcribed Text] Yerevan ("Aravot" daily), 01/13/96 — Editor of the Lragir daily Mr. Haykazn Haghriyan said that publication of the Lragir daily stopped because of problems related with Mercury enterprise.

As a result, editorial board of Lragir decided to found a new independent daily, called Lragir Or. Ministry of Justice registered the new periodical on 25 December. From the legal point of view, these two newspapers have nothing in common, and the debt of the Lragir daily to the Periodics publishing house should be paid by its means in Haymamoul. Still, Mr. Haghriyan said that Periodics refuses to start publication of Lragir Or, quoting the debt of Lragir.

LRAGIR DAILY Resumed in Two Versions

NC1601203296 Yerevan NOYAN TAPAN in English 0706 GMT 16 Jan 96

[FBIS Transcribed Text] Yerevan, Jan. 16, (NOYAN TAPAN)—Today, after a long break the publication of the "Lragir" daily was resumed in two versions: "Lragir" ("Newspaper") and "Lragir Or" ("Newspaper-day").

As is known the publication of the "Lragir" daily was suspended because of confiscation of computers belonging to the newspaper's founder, "Mercury" Ltd. As a result of some snags the newspaper was registered at the Justice Ministry as a new paper entitled "Lragir Or". However, the "Mercury" Ltd still sponsors the "Lragir" daily.

In its first issue "Lragir Or" writes that the staff of the former "Lragir" passed on to "Lragir Or". "The reader, care and the chosen way are the same", the paper writes. The "Lragir" daily does not differ from the "Lragir Or", writing that it follows the traditions of the former "Lragir".

Azerbaijan

Iran Ready for Joint Oil Drilling in Caspian Sea

LD1601114996 Moscow INTERFAX in English
1010 GMT 16 Jan 96

[FBIS Transcribed Text] BAKU, Jan 16 (Interfax-PIA) — Azerbaijan and Iran intend to form a drilling company to operate in a practically unstudied Iranian section of the Caspian sea.

This was disclosed to the Petroleum Information Agency by the Vice-President of the Azerbaijani State Petroleum Company Khoshbakht Yusufzade who visited Iran with a group of company experts between January 4 and 11.

He said the sides signed an agreement on the key principles and charter of the joint venture with an authorized stock of $100,000. The Azeri side and the Iranian National Drilling Company would have equal shares in it, Yusufzade said, and the technical resources would be supplied by both sides.

Iranian involvement in prospecting and developing the oil and gas province Shakh-Deniz in Azerbaijan was not discussed, he said. Iranian government officials did not attend the talks.

Speaking of Iran's attitude to Shakh-Deniz, to which Baku has invited Tehran on several occasions, Yusufzade said the project is resisted mainly by the Iranian Foreign Ministry, while the Oil Ministry and the Iranian National Petroleum Company show readiness for cooperation.

Shakh-Deniz is a gas condensate field which is predicted to contain about 400 billion cubic meters of natural gas, 200 million tonnes of gas condensate and 100 million tonnes of oil.

Last year under U.S. pressure Iran was barred from the $7.5 billion project of developing Azerbaijani off-shore fields in Azeri, Chirag and Gyuneshli.

Islamic Party Warns of Threatening U.S. Expansionism

NC1101194596 Baku TURAN in English
0724 GMT 11 Jan 96

[FBIS Transcribed Text] Baku 11/01/96 TURAN — "The United States make every efforts to make Iran, Turkey and Pakistan weak and strengthen their positions in the region", a statement of Azerbaijan's Islam party reports [Islamic Party of Azerbaijan]. The statement also notes the United States support the opposition forces to overthrow legal governments in these states. "For this purpose in 1996 the U.S. provided scores of million dollars to finance anti-Islam forces in Iran", the document reads.

"The United States try to veil their hegemonic claims in Afghanistan, Algeria, Bosnia, Chechnya, Somali and Azerbaijan. They impose 'peace talks' for suppression of Muslim rights in these regions", the statement reads.

"All this happens in sight of marionette organization called the United Nations, which was founded to conceal imperialist claims of America", Islamists believe.

"If the UN considers itself responsible for restoration of peace on the earth, it must response to the aggressive steps of America and prevent it from making such steps.

"Azerbaijan's Islam party expressed its solidarity to Muslim around the world and comes out against old and new intrigues of imperialists", the statement mentioned.

CIS Summit Set To Focus on Military, Political Issues

NC1701120096 Baku TURAN in English
1502 GMT 16 Jan 96

[FBIS Transcribed Text] Moscow/16.08.96/TURAN— A special attention will be paid to questions of military and political character at the summit of the Heads of the countries-members of the CIS which is to take place on January 19, Aleksandr Zolotarev, head of the press-service in Ministry for Co-operation with the CIS told TURAN. He mentioned the draft of conception on preventing and settlement of the conflicts at the territory of the CIS and a draft of the provision on the CIS Collective Security Council.

Concerning peacekeeping operations, the question on the extension of the term of peacekeeping corps of the CIS in Tajikistan will be in the centre of attention. The agenda of the summit includes questions on formation of the Customs Union of the CIS and co-operation in the sphere of guard of external frontiers of Commonwealth. "Discussion of the question on transit of Azeri oil by the territory of Russia is necessary," Zolotarev noted.

At the same time Tbilisi reports that at the summit Georgian delegation is going to bring up a question on giving political functions to Russian peacekeeping forces in Abkhazia and to demand their participation for providing safe return to Abkhazia of Georgian refugees.

President Drastically Reforms Budget Sphere

LD1601201696 Moscow INTERFAX in English 1812 GMT 16 Jan 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] President Aliyev's reform of the government provides for a considerable reduction of economic managerial agencies, a source in the Azerbaijani cabinet has said.

According to the source of the current 18 ministries only six will be left and only two of the current deputy prime ministers will retain their posts. IF Note: President Aliyev on January 14 signed a resolution on a fundamental reform of economic management, including the personnel, structure and activity of economic entities. Under the resolution Prime Minister Fuat Guliyev is expected to submit to the president his proposals for the Cabinet's composition and a new structure of the government.

The source speculates that 60 percent of the personnel of budget- financed organizations may be slashed already in the second quarter of this year. The saved funds will be used to raise pay for those who retain employment.

The source said that in the Finance Ministry all industrial departments were likely to be abolished and the functions of other sub-units reconsidered and part of them handed over to a newly-founded structure - the State Treasury. (The State Treasury formed early this month, is lead by deputy Finance Minister Geydar Asadov [name as received]. - IF). The source said twenty five new staff members — experts in new promising fields — had been given jobs at the Finance Ministry under that program. The source said that the Finance Ministry's staff is likely to undergo further reorganization and be transferred to the State Treasury.

About reforms in the fuel and energy complex the source said that the structure of the state company Azergaz had begun to be improved in keeping with President Aliyev's demand made on January 8. The source speculated that the company's management would closely study the situation in the industry and have to make a considerable personnel reduction to achieve profitability. About 850 employees of a building agency affiliated with Azergaz are likely to be dismissed.

Georgia

Russian Border Troops To Increase Turkish Border Security

LD1701114496 Tbilisi IPRINDA in Russian 1050 GMT 17 Jan 96

[FBIS Translated Text] Tbilisi, 17 Jan — An IPRINDA correspondent has reported that Vladimir Vozzhayev, the commander of the Gruziya group of the Russian border troops, has flown from Tbilisi to Batumi. The aim of the visit is to step up protection of the border with Turkey in connection with the hostage-taking by Chechen fighters on Turkish territory.

Tbilisi Abkhaz MPs: Ferry Hijackers in Collusion With Crew

LD1701121196 Tbilisi IPRINDA in Russian 1130 GMT 17 Jan 96

[FBIS Translated Text] Tbilisi, 17 Jan — In connection with the capture by Chechen terrorists of the Trabzon-Sochi passenger ship with 150 passengers on board, the [Tbilisi-based, pro-Georgian] Supreme Council of the Autonomous Republic of Abkhazia has issued a statement saying that it knows from reliable sources that the terrorists, who are carrying out the orders of Shamil Basayev [the Chechen commander of the Budennovsk hostage-taking operation in 1995], are acting in collusion with the ship's crew. The ship's captain took part in the war in Abkhazia together with Basayev, the statement says.

The Supreme Council condemns separatism and terrorism and states that without separatism gaining the upper hand in Abkhazia, there would not have been [hostage-taking incidents in] Budennovsk, Kizlyar, or Pervomayskoye.

Russian Commander Denies Chechen Militants in Abkhazia

LD1601145796 Moscow INTERFAX in English 1331 GMT 16 Jan 96

[FBIS Transcribed Text] MOSCOW, Jan 16 (Interfax) — Commander of the CIS peacekeeping force in the Georgian-Abkhaz conflict zone Vasiliy Yakushev has described as misinformation media reports about Chechen militants penetrating Abkhazia. He said references in them to peacekeepers are absolutely false.

Yakushev said his subordinates were alerted following the hostage crisis in Dagestan.

A spokesman for the Georgian Security Ministry was surprised by references to his ministry in media reports about 70 Chechen gunmen crossing over to Abkhaz territory.

The press centers of other Georgian power structures did not have information to this end either.

However, chairman of the Abkhaz Supreme Soviet operating in Tbilisi Tamaz Nadareishvili continues to claim he has reliable information about 70 Chechen gunmen infiltrating Abkhazia. In an interview with Interfax, he claimed he has a document confirming this fact signed by representatives of the command of the Russian peacekeeping force.

Documents Confirm Alleged Russian Assistance to Abkhazia

LD1601181496 Tbilisi CONTACT INFORMATION AGENCY in Georgian 1530 GMT 16 Jan 96

[FBIS Translated Text] Tbilisi [no date as received] — A source close to the Russian Government gave the press service of the Autonomous Republic of Abkhazia several documents confirming instances of Russian assistance to the Abkhaz side.

For instance, Sergey Khetagurov, Russian deputy minister of civil defense, emergencies, and natural disasters, in his letter to the Russian Government — in particular, to Yuriy Yarov, deputy chairman of the Council of Ministers of the Russian Federation — requested an allotment for the Cabinet of Ministers of the "Republic of Abkhazia" of 2.5 billion rubles from the Russian Government's reserve fund. This request was met on 28 February 1994 in accordance with the relevant decree.

The author of the second letter is Martynov [name as received], director general of the Russian medical center, who requested that Ardzinba officially draw up a project to use jointly a holiday house on Ritsa Lake. This would have brought a revenue of 2 billion rubles into Abkhazia's budget.

The third document confirms Ardzinba's business links with Stepanov [name as received], the head of the legal department of Russia's [State] Tax Service. The letter, addressed to the separatist leader [Ardzinba], stresses that the Abkhaz tax structure must rely on Russia's relevant legal enactments.

Proceeding from the above, one may conclude that some of the authorities of the northern neighbor already consider Abkhazia an indivisible part of the Russian Federation and even govern it.

Shevardnadze: CIS Summit Will Not Solve Abkhazian Issue

MK1701064796 Moscow NEZAVISIMAYA GAZETA in Russian 16 Jan 96 p 3

[NEGA report from Georgia]

[FBIS Translated Text] Yevgeniy Primakov, new head of the Russian Federation Foreign Ministry, at the meeting with Georgian Foreign Minister Irakli Menagarishvili, disclosed his stance with respect to the development of Russian-Georgian relations. According to Menagarishvili, Primakov is supporting territorial integrity of Georgia. Speaking about the meeting of the CIS Foreign Ministers Council, Menagarishvili emphasized that the Georgian side submitted a package of documents on the settlement of the conflict in Abkhazia envisioning an expansion of the mandate of Russian peacekeeping forces and specific measures to this effect.

"The main task of Georgia at the Moscow summit is to draw attention of the CIS heads of state to the Abkhazian problem," said Georgian President Eduard Shevardnadze in a radio interview on 15 January. At the same time, Shevardnadze does not believe that the summit will contribute to the solution of the Abkhazian problem. Georgia, however, should not miss "yet another, although theoretical, chance for the solution of this problem. Attempts should be made to use all possible peaceful means for settling this conflict," Shevardnadze emphasized.

"Restoration of territorial integrity of Georgia should take place during this republican parliament's term of office," said Vakhtang Kolbaya, deputy speaker of the parliament.

Refugees From Abkhazia Continue To Block Road to Georgia

LD1701111896 Tbilisi Radio Tbilisi Network in Georgian 0800 GMT 17 Jan 96

[FBIS Translated Text] According to a report received this morning, a protest action by refugees from Abkhazia continues in Zugdidi near Inguri Bridge [linking Abkhazia with the rest of Georgia]. Refugees have blocked the highway and are refusing to let any vehicle through, including vehicles of the Russian peacekeeping forces and UN observers. The refugees' demands have not changed.

General Vasiliy Yakushev, the commander of the Russian peacekeeping forces, is expected to meet participants in the protest later today.

Lithuania

Brazauskas 'Determined' To Seek Integration Into EU, NATO

LD1201164396 Moscow INTERFAX in English 1419 GMT 12 Jan 96

[FBIS Transcribed Text] VILNIUS, Jan 12 (Interfax) — Lithuania is determined to seek integration into the European Union and NATO, Lithuanian President Algirdas Brazauskas said.

"There is no alternative to a united Europe, either in Lithuania or in Europe itself," Brazauskas said as he addressed foreign ambassadors in Kaunas on Friday.

He stressed that the signing of agreements last June to grant the Baltic states the status of associated members of the European Union created a new geopolitical situation in the region.

In addition, the admission of Sweden and Finland has given a political and economic impetus to the entire Baltic Sea region. "The Baltic Sea is becoming a European Union sea, which meets Lithuania's national interests," Brazauskas said.

"NATO membership and the expansion and deepening of relations with that organization remain one of the principal goals of Lithuania's foreign policy," he noted.

He expressed the confidence that NATO will expand in the near future, adding, however, that "we do not want this process to lead to new divisions in Europe."

Brazauskas in Talks With Finnish President

LD1601204896 Vilnius Radio Vilnius in English 2000 GMT 16 Jan 96

[FBIS Transcribed Text] On Tuesday the President of Finland, Martti Ahtisaari, came to Lithuania on a two-day official visit.

In Vilnius he met his Lithuanian counterpart Algirdas Brazauskas. The two heads of states discussed possibilities of visa-free regime between the two states, and ways of using Finland's experience as Lithuania integrates into the European Union.

After the meeting President Ahtisaari told the news conference that visa-free regime should be sought by all means, and currently he stressed the need for Lithuania to strengthen the protection of its borders.

President Ahtisaari said that the intensifying cooperation between the Nordic and Baltic states made the latter as important for Europe as the Mediterranean states are. He spoke up against a prearranged schedule for admission to the European Union and NATO, saying that actions of the candidates in carrying out economic reforms and extending democracy would be the decisive factor of admission.

Discuss NATO Membership Issues

LD1601210496 Moscow INTERFAX in English 1945 GMT 16 Jan 96

[FBIS Transcribed Text] VILNIUS, Jan 16 (Interfax) - Lithuanian President Algirdas Brazauskas told a press conference in Vilnius today that "Russia's negative reaction to NATO's possible expansion eastward should not be commented on in too much of a categorical fashion because Russia's reaction may change radically."

The press conference was held after Lithuanian president met with his Finnish counterpart Martti Ahtisaari.

"Taking into consideration the dynamics of the processes taking place in the world it is difficult to predict what Russia's reaction will be in a year, in particular regarding NATO's enlargement," Brazauskas said.

He said he was confident that NATO's enlargement would "take place sooner or later."

The Finnish president told the same press conference that Finland did not plan to join NATO because Finland's membership in the European Union and active participation in the NATO Partnership for Peace program gave the country "certain guarantees of security."

Finland will help Lithuania to accelerate integration with the European Union and other European structures, Ahtisaari said.

Ahtisaari said he and the Lithuanian president had discussed the development of bilateral economic cooperation and the two countries' interaction within the scope of the projects which could be funded by the World Bank and the European Union. Lithuania and Finland also discussed their relations with Russia, Ahtisaari said.

Leaders Agree on Closer Cooperation

LD1601231296 Vilnius Radio Vilnius in English 2000 GMT 16 Jan 96

[FBIS Transcribed Text] During his first visit to Lithuania, Finnish President Martti Ahtisaari addressed the Lithuanian parliament and said that he hopes that the European Union will give as much attention to the Baltic Sea region as they give to the Mediterranean Sea region.

[Correspondent Ilona Rukiene] These two Baltic countries have never had any problems between each other. Presently, Lithuania is going through the same situation that Finland went through a few years prior. Lithuania can only envy the present standard of living and advancement in Finland. President Ahtisaari said to the parliamentarians that after one year's membership the first year was a very successful one.

In the beginning there would be problems in the agricultural sector, but after a year farmers were happy. The president said that Finland being a small country does not feel that it has lost any of its independence or sovereignty as to agriculture it should be more active as it is a live part of the economic sector [sentence as heard]. The European Union allows small countries to be heard on important world issues, and President Ahtisaari believes that Lithuania has the potential and talent for membership in the European Union. He could offer no quick remedies for Lithuania, which became an associate European Union member last year, though many problems are the same.

[Begin Ahtisaari recording, in English] Our programs of assistance to Lithuania have concentrated on cooperation in the environmental sector, agriculture, and development of public administration.

Together with the other Nordic countries we have tried to make a positive contribution to resolving the refugee issue here in Lithuania.

In the course of this visit, the question of bilateral economic cooperation, which I see as also serving the same end, has been [?centrally] highlighted. We have much to offer: Technology and know-how in the forestry, energy management, transport, telecommunications, and many other sectors. In our trade with each other we see potential and opportunities. [end recording]

[Rukiene] Finland will share its experience to help Lithuania bring its laws into compliance with those of the European Union and assist in negotiations on such important matters as agriculture.

The presidents of Finland and Lithuania had a joint news conference on Tuesday in Vilnius.

President Algirdas Brazauskas underscored that this visit of the neighboring country's president will only encourage cooperation. Both presidents discussed the strengthening of borders, banking problems, foreign relations, and relations with Russia.

According to President Brazauskas, both were in agreement regarding Russia. President Ahtisaari said that Russia's stand against expansion of NATO is nothing new. He added that expansion would only help stability in Europe and was opposed to the idea of separating countries into a schedule as to their membership in the EU and NATO.

Everything will be decided by objective actions regarding economic reforms and democratic expansion.

President Brazauskas said NATO membership is one more step in national security.

[Begin Brazauskas recording, in Lithuanian with superimposed English translation] Our purpose is to guarantee for our country, which has suffered from great political and military powers, national security. That is why we are seeking NATO membership, as it is one of the steps for the security and peace. Our integration into Europe, taking part in the European Council, associate membership in the European Union, and participation in international organizations is strengthening our security and granting us guarantees [end recording]

[Rukiene] President Algirdas Brazauskas believes that time will change Russia's negative outlook toward NATO, and NATO's position regarding Russia can cause some of these changes. Lithuania's main priority is participation in European structures, President Algirdas Brazauskas said.

IMF, World Bank To Help Rescue Failing Banks

WS1501144596 Tallinn BNS in English
1115 GMT 15 Jan 96

[FBIS Transcribed Text] Vilnius, Jan 15, BNS — Experts from the International Monetary Fund (IMF) and World Bank (WB), together with Lithuanian specialists, intend to prepare a plan within two weeks for rescuing Lithuania's troubled banks.

The central Bank of Lithuania (LB) reported Saturday [13 January] that IMF/WB experts have met with Lithuanian premier Adolfas Slezevicius, LB chief Kazys Ratkevicius and finance minister Reinoldijus Sarkinas to discuss the economic situation in Lithuania. At the meeting, the causes which had led to the crisis in the country's banking sector were analyzed.

The IMF/WB's mission to Lithuania arrived in Vilnius on Friday.

Brazauskas Opposes Resignation of Bank's Management

LD1601204096 Moscow INTERFAX in English
1812 GMT 16 Jan 96

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] If the government and the management of the Bank of Lithuania resign, the banking crisis will take two months longer in overcoming, President Algirdas Brazauskas said on the national radio Monday night.

Brazauskas believes that the banking system has to be rectified and the necessary financial resources found. IF Note: A banking crisis in Lithuania was aggravated at the end of December when two largest commercial banks of the country, the Lithuanian Joint Stock Innovation Bank (LAIB) and Litimpeks, were suspended. Before LAIB was closed, Prime Minister Adolfas Slezevicius withdrew his account from it. Now certain statesmen and parties press for his resignation. They also want Kazimiras Ratkevicius, the governor of the country's Central Bank, to resign because he failed to properly supervise the activities of commercial banks.

Brazauskas said he understood the sentiments expressed by political movements and citizens who are indignant over the situation and want the prime minister to resign and even call for early parliamentary elections. His top priority is, however, to maintain calm and look for compromise. Neither disbandment of the old and election of a new parliament nor rallies will resolve the banking problems, he argued.

Brazauskas admitted that the financial crisis which affected about one fifth of the country's banking system is a large problem but emphasized that the situation is not hopeless.

The Central Bank should closely supervise the activities of commercial banks and the existing legislation should be amended to put an end to undesirable trends, he said.

Brazauskas sharply criticized the detention and arrest of the governors of the two banks. He said that the special parliamentary investigation has found that the detention of the bankers was unwarranted and only made the crisis worse. "The aggressive tactics used by the interior bodies should be employed in bringing to justice those who do not pay bank credits back," Brazauskas thinks. IF Note: The bankers were arrested at the end of December shortly after the suspension of the banks but released early in January. After two weeks in detention Litimpeks's Gintautas Preidys undertook on January 4 not to leave town and LAIB's Arturas Balkevicius was released on a bail of 100,000 litai from the Lukiskes prison in Vilnius last Friday.

Also Monday, Brazauskas met with officials of four parliamentary opposition parties.

The Center Union, the Nationalist League, the Democratic Party and the League of Political Prisoners and Deportees believe that the state should sell the stock of the banks at their real price (IF Note: The finance minister believes that this price is zero).

The opposition officials suggested that special three to five year securities should be issued at a favorable interest rate and the investors asked to convert their deposits into these securities.

The MPs believe that the Bank of Lithuania should discontinue its practice of printing new money only if new hard currency is purchased because with this arrangement it cannot provide credit to or influence in any other way the commercial banks. Slezevicius is an active supporter of this technique. The MPs want the four litai to $1 exchange rate to remain unchanged, however.

Following the meeting, the MPs told journalists that Brazauskas found their proposals interesting and told them that the proposals will be discussed with International Monetary Fund and World Bank experts.

Prime Minister Declares No Plans To Resign

LD1601155496 Vilnius Radio Vilnius Network in Lithuanian 1400 GMT 16 Jan 96

[FBIS Translated Text][Announcer] The information center of the Lithuanian Government has released the following statement by Prime Minister Slezevicius:

The elements trying to force my resignation and initiate a political crisis in Lithuania are restless. They are using all available means: from lies and blackmail and various fiction to well-prepared political and moral pressure towards me and my family. Every day new methods and new inventions are launched in this fight against me.

On Tuesday, one of the daily newspapers announced criminal proceedings which the General Prosecutor's Office was allegedly intending to institute against me. The newspaper published this news even before an officer of the Prosecutor's Office asked me to answer some questions linked with the ill-fated deposit of mine at the [Lithuanian] Joint-Stock Innovation Bank [LAIB].

At first I was criticized for withdrawing my fixed-term deposit, later — for the interest rate which was too high, now — because the LAIB calculated excessively large amount of interest to be paid to me. I do not have to provide explanations, but anyway: It was not me who calculated the interest and I did not pay it to myself. However, for the initiators of the attack against me offer such evidence of my guilt as perfectly sufficient.

Today, everything is done in an attempt to to crack me up and leave the post of the head of the government, betraying the interests of the state and the party, the statement by Adolfas Slezevicius says.

Now that the president [Algirdas Brazauskas] and the party [Lithuanian Democratic Labour Party], the party's faction in the Seimas [parliament] and the majority of the cabinet ministers expressed their confidence in me, and at the time when the country's problems in the sphere of the economy and finance have to be urgently solved, I would like to declare that I shall not renounce my obligations towards the state, the parliament and the people of Lithuania. I deeply regret the mistake that I have made [concerning the withdrawal of the deposit from LAIB two days before the collapse of the bank] and I will do everything I can so that the political life in Lithuania would proceed in line with the principles of democracy and constitution, a statement by the Lithuanian Prime Minister Adolfas Slezevicius says.

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